

Expand and Improve Federal Housing Voucher Programs

The U.S. Department of Housing and Urban Development's (HUD) voucher programs are essential to any plan to guarantee a right to housing in the United States. Greatly expanding these programs will be required to make this right a reality. However, increasing the program without additional protections for voucher holders is not enough. A comprehensive approach to reforming federal housing programs will require generous increases in funding from Congress, policies that make vouchers competitive and usable in rental markets, and improvements to the programs that provide true neighborhood choice and mobility for voucher holders.

Despite the proven track record of vouchers to provide housing assistance to poor people, Congress and administrations from both parties have chronically underfunded the programs. Less than one-fourth of households who qualify for federal rental assistance receive the help they need, and waiting lists across the country are often tens of thousands of eligible households deep.

For those households that receive a voucher, the challenges continue. In many cases, voucher holders fail to find housing because of discrimination and problems with the program design. Even those tenants who successfully rent with a voucher typically end up in low-income, low-opportunity, and racially-segregated neighborhoods.

Where people live has a lasting impact on their health, safety, education, and future economic advancement. To improve outcomes for poor renters, one of the key features of tenant-based voucher programs is "mobility." Mobility is an evidence-based approach that helps low-income families, elderly people, and people with disabilities use housing vouchers to move from low-opportunity neighborhoods to neighborhoods that are better resourced. Mobility gives households access to higher-performing schools, better quality jobs, and reliable public transportation, among other things. Mobility also helps to desegregate neighborhoods, and reduce homelessness and housing instability. Any policies to expand and improve vouchers should increase voucher mobility.

It is important to note that tenants also deserve "choice", or the ability of to choose their neighborhoods based on family, caregiving or childcare opportunities, community connections, or other considerations. Tenant choice has implications for how the Biden-Harris administration should invest in low-income communities where the majority of voucher holders live, but these investments will not be discussed in this document.

NHLP recommends the Biden-Harris transition team and administration prioritize the following policies to help combat the nation's affordable housing crisis by expanding and improving the voucher program. These policy recommendations provide a comprehensive approach that HUD and Congress can use to ensure that low-income families obtain safe and stable housing in communities of their choice.

Adequately fund HUD's voucher programs.

- **Fully fund Housing Choice Vouchers (HCV or Section 8).** Currently, the HCV program provides tenant-based rental assistance to 2.2 million low-income households in America, the majority of which include seniors, children, or people with disabilities. However, this only represents one-fourth of households that qualify for these vouchers because the program is woefully underfunded. The Biden-Harris administration should encourage Congress to fully fund Section 8 to make these vouchers available to every eligible household.
- **Increase funding for special purpose vouchers.** Special purpose vouchers (SPV) are additional tenant-based rental assistance programs with targeted supportive services that house specific populations who use the voucher to live independently and avoid institutionalization. These households include foster youth, survivors of domestic violence, and people with disabilities. SPVs fill a unique niche in the comprehensive voucher system, and have a proven track record. SPV programs such as HUD-Veterans Affairs Supportive Housing (VASH) are often the first line of defense against homelessness for these incredibly vulnerable populations. Other examples include 811, or mainstream vouchers, that house people with disabilities or 202 vouchers that serve elderly renters.

Make vouchers competitive in rental markets and remove barriers for tenants who use them.

- **Reform fair market rent (FMR) and small area FMR (SAFMR) calculations.** Voucher holders often cannot compete for private rental housing because a voucher's value is less than market rent. HUD makes calculations to determine the area's FMRs or more targeted SAFMRs, but the methodology is deeply flawed, resulting in inaccurate rental assistance determinations across the country. For its calculations, HUD currently uses data that are several years out of date and calculates market rent based on entire metropolitan areas where rents can vary dramatically between neighborhoods, towns or cities. The Biden-Harris administration must use dynamic annual market rent data, and redraw more targeted "areas" for which to determine fair market determinations.
- **Offer additional incentives for landlord participation in voucher programs.** The Biden-Harris administration should consider policies such as offering tax credits to landlords or owners who accept vouchers, or allowing housing authorities to pay more than market rent to compensate landlords for the additional administrative requirements of the voucher program.
 - **Further, ensure that landlords and owners who participate in the voucher programs have fair access to insurance.** Insurance companies often deny coverage to landlords simply for agreeing to house voucher families. Landlords who wish to rent to voucher households are protected by federal law from this type of discrimination. The law must be enforced against insurance companies that charge higher premiums or refuse to provide insurance altogether, which is in direct violation of fair housing laws.
- **Create federal source of income protections for voucher holders.** One of the persistent problems voucher holders face is a blanket refusal by some landlords to rent to applicants with federal rental assistance. A federal ban of discrimination against voucher recipients is one of the most effective ways to improve housing choice and mobility. When landlords refuse to rent to voucher households, it intensifies the harm and severity of our country's affordable housing crisis, continues cycles of poverty and racial segregation, and perpetuates housing barriers that are informed by negative stereotypes. The Biden-Harris

encourage Congress to require landlords to accept tenants that meet their eligibility requirements regardless of their source of income.

- **Revise HUD regulations to guarantee affordability.** A key element of the voucher programs and other federally assisted housing is that tenants pay no more than 30 percent of their income in rent. HUD must revise two of its voucher regulations to ensure that the 30 percent threshold is upheld.
 - Amend HUD 24 C.F.R. § 982.505(c)(4) so that it complies with the voucher statute, and ensures that the 30 percent standard is maintained.
 - Prohibit housing authorities from requiring tenants with disabilities to pay 40 percent of their income in rent.
 - Please see our [regulatory recommendations](#) for more information.
- **Protect tenants from retaliation for organizing.** Organizing is the cornerstone of seeking just and equity-based solutions to systemic defects. Voucher tenants need to be explicitly protected from retaliation for exercising their right to participate in organizing activities, and housing authorities should be held accountable for interference with independent resident organizing.

Expand tenant protections in the private market in several crucial areas.

- **Fund mobility counseling services for all housing authorities.** Despite the strong evidence that mobility programs help families overcome obstacles to locate housing in low-poverty neighborhoods, a majority of housing authorities do not provide mobility counseling or partner with mobility counseling agencies. Current mobility pilot programs offer a range of services, including counseling families on the benefits of moving to different neighborhoods, coordinating moves to other jurisdictions, outreach to landlords, financial assistance for security deposits and moving assistance, and long-term support for second and third moves. While Congress funded a small Mobility Demonstration in recent years, the Biden-Harris administration should commit to fully funding counseling services for all housing authorities.
- **Remove barriers to portability.** “Portability” enables voucher holders to carry voucher-based assistance from the jurisdiction of one PHA to the jurisdiction of another during a move. Existing portability rules are burdensome and confusing for tenants and housing authorities alike, and this puts tenants at risk of voucher termination and even homelessness. HUD should revise the regulations for portability as another component of both mobility and choice.
 - Incentivizing the use of consortia and broader regional housing authorities across communities may be one solution to portability barriers. A consortium is formed by combining the efforts of two or more housing authorities for the purposes of administering housing programs. Consortia and regional housing authorities have the potential to significantly improve the operation of the voucher program by eliminating portability requirements and consolidating waitlists, among other benefits for applicants and tenants.
- **Incentivize de-concentration of vouchers in low-opportunity communities.** HUD uses the Section 8 Management Assessment Program (SEMAP) to measure housing authorities’ performance within the voucher programs. Current point values within the assessment have proven insufficient to incentivize aggressive and effective policies that will redistribute voucher use to higher opportunity communities. HUD should revise SEMAP to increase the points awarded for de-concentration efforts and include additional measures that would further incentivize housing authorities.

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