

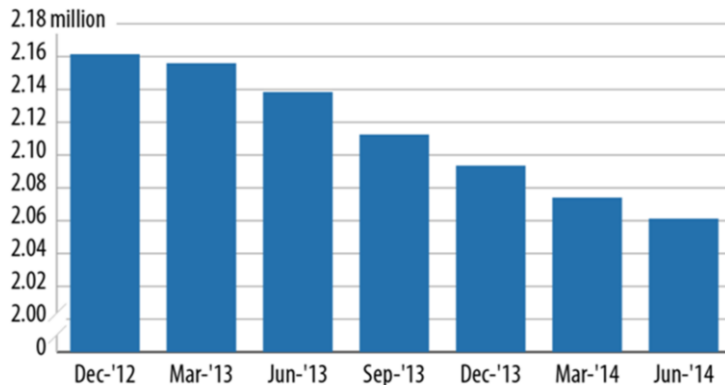
## **Use of Housing Vouchers: Trends, Local Data, and What's at Stake in 2015 Funding Bill**

Barbara Sard, Douglas Rice, and Ehren Dohler  
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## Agenda

- Update on sequestration's impact on the number of families using housing vouchers
- What's at stake in FY 2015 funding bill for the Housing Choice Voucher program?
- Using the housing voucher data on CBPP's web site
- Next steps
- Q&A

## Sequestration's Toll: 100,000 Fewer Families Using Housing Vouchers



Source: CBPP analysis of HUD data. Figures do not include new tenant protection or VASH vouchers awarded in FY 2013 or 2014.

Update on sequestration's impact: there's bad news and good news – and the good news creates a challenge for Congress.

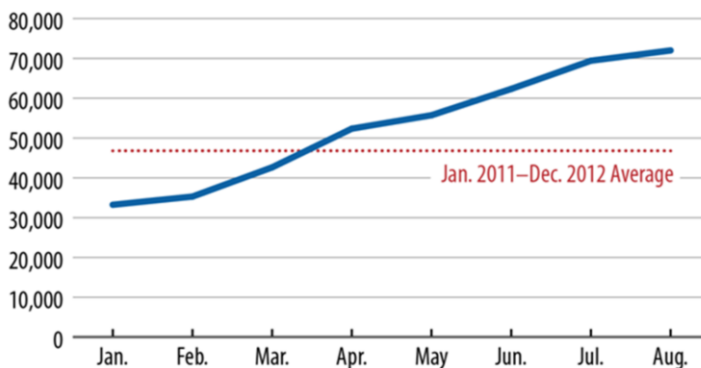
Bad news: Because of the lingering effects of sequestration, PHAs continued to shed families through attrition during first half of 2014, despite receiving sufficient renewal funding in 2014 to restore roughly half of the vouchers cut under sequestration.

As of June, PHAs were assisting about 100,000 fewer families than in December 2012.

[This analysis of sequestration's impact does not count new VASH and TPVs issued in FY 2013 and 2014. Former were excluded from sequestration; latter replace other assisted units and thus do not represent a net gain in units.]

## Agencies Using 2014 Funds to Put More Vouchers “on the Street”

Housing Choice Vouchers issued but not yet in use, 2014



Source: CBPP analysis of HUD data..

But there's good news: PHAs began issuing significantly more vouchers in June, July, and August. As of July, about 70,000 vouchers on the street (issued but not yet leased), which is about 25,000 more than average.

We estimate that PHAs will be assisting 20,000 to 40,000 more families by December, compared to July, and will probably add additional families in early 2015.

## Challenge for Congress

- Good news: PHAs are likely to be assisting 20,000 – 40,000 more families by year's end than in July, even more in early 2015
- Challenge in FY 2015 funding bill: provide sufficient funds to renew all vouchers in use at the beginning of 2015 and enable PHAs to restore more vouchers

So there's good news, but with it comes a challenge.

For all but 39 PHAs [in the MTW demo], renewal eligibility in 2015 = average CY leasing/costs in 2014 + adjustments for inflation and other factors not captured in base. Additional leasing gains in second half of 2014 will not be fully reflected in the CY average.

If Congress were to simply fund the formula – i.e., provide sufficient funds to meet 100% of eligibility under the renewal formula – then this could undercut the progress that PHAs are making in restoring vouchers to use.

Challenge in FY 2015 bill: provide sufficient funds to renew all vouchers in use at the beginning of 2015 AND enable PHAs to restore more vouchers.

## Timing of 2015 Funding Decisions

- Lots of uncertainty about nature (CR v. omnibus) and timing (December or early in 2015) of final FY 2015 funding bill
- But decisions about HCV and other program funding levels likely to be negotiated over next 3 weeks

Lots of uncertainty: CR v. omnibus; December v. early in 2015.

But decisions will likely be made over next 3 weeks (though we may not learn about the outcome of those decisions until later, depending on bill timing).

## What's At Stake in FY 2015 Bill?

Budget Authority for Major HUD Programs			
	2014 Enacted	House 2015	Senate 2015
<b>Section 8 TBRA</b>	\$ 19,177,218,000	\$ 19,356,529,000	\$ 19,562,160,000
<i>renewals</i>	\$ 17,365,527,000	\$ 17,693,079,000	\$ 17,719,000,000
<i>admin</i>	\$ 1,500,000,000	\$ 1,350,000,000	\$ 1,555,000,000
<b>Section 8 PBRA</b>	\$ 9,916,628,000	\$ 9,746,000,000	\$ 9,746,000,000
<b>Public Housing Capital</b>	\$ 1,875,000,000	\$ 1,775,000,000	\$ 1,900,000,000
<b>Public Housing Operating</b>	\$ 4,400,000,000	\$ 4,400,000,000	\$ 4,475,000,000
<b>Homeless Assistance</b>	\$ 2,105,000,000	\$ 2,105,000,000	\$ 2,145,000,000
<b>Section 202 elderly</b>	\$ 383,500,000	\$ 420,000,000	\$ 420,000,000
<b>Section 811 people with disabilities</b>	\$ 126,000,000	\$ 135,000,000	\$ 135,000,000
<b>HOME</b>	\$ 1,000,000,000	\$ 700,000,000	\$ 950,000,000
<b>CDBG formula</b>	\$ 3,030,000,000	\$ 3,000,000,000	\$ 3,020,000,000

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What's at stake?

Renewals: both House and Senate would increase renewal funding by about 2% (House +\$328M, Senate +\$353M)

Big difference in admin fees: House -\$150M, Senate +\$55M

House bill also includes the Schock Amendment, which would cap exception payment standards at 120% of FMR.

Good rule of thumb: final levels will most likely fall somewhere between House and Senate levels.

Some risk that final HCV renewal level will be below House/Senate levels, given that leasing has not yet recovered.

## What's at Stake in FY 2015 Bill?

- Risk of renewal proration in 2015 is low, because CY average program leasing/costs will be much lower in 2014 than in 2013
- Senate bill would be sufficient to renew all vouchers in use, enable PHAs to restore modest # of additional vouchers in 2015
- What happens if end up with 3-month or full-year CR for 2015?
- What about FY 2016?

How might this play out and what are the implications?

- 1) One conclusion: In our view, the risk of a renewal funding proration [explain] in 2015 is low. Why do we think that?
- 2) As of mid-2014, total leasing/costs (HAP) was nearly 3% below average for 2013. Even if PHAs lease up in second half of year as we anticipate, total 2014 costs will still be ~2% below 2013.
- 3) This means that even under flat renewal funding – which we take to be a worst case scenario, e.g., if appropriations negotiations completely break down and Congress can muster no more than a full-year CR – there would be enough to cover 100%, or close to 100%, of agencies' renewal funding eligibility under the formula.
- 4) But flat funding would undercut progress in restoring vouchers, lock in most of sequestration cuts.
- 5) House/Senate bills would renew all vouchers in use at beginning of 2015, enable PHAs to restore more. Given impact of sequestration, important to secure this funding.
- 6) Short-term CR would have little impact, beyond delaying revised funding allocations in 2015.
- 7) Return of sequestration in FY 2016? Not in sense of across-the-board cuts (explain caps and 3 meanings of "sequestration"). Also, could be deal next year to revise caps in FY 2016.



## Data at [www.cbpp.org/housing](http://www.cbpp.org/housing)

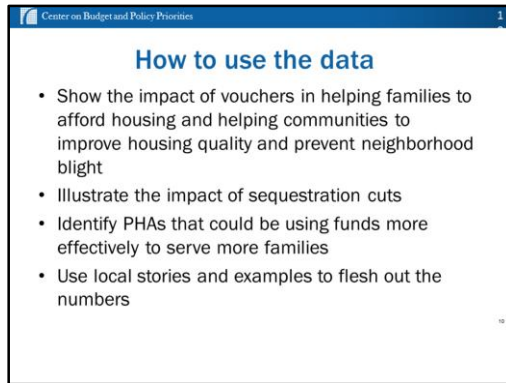
- Federal rental assistance fact sheets, by state
- Housing Choice Voucher fact sheets, by state
- Housing Choice Voucher utilization data, by PHA
  - Number of families using vouchers (CY and quarterly)
  - Number of authorized vouchers (beginning of CY)
  - Percent of authorized vouchers in use (CY)
  - Total assistance payments to owners (HAP, CY)
- Sequestration cuts in Housing Choice Vouchers, by PHA
- Rental assistance in rural and urban areas

Lots of data now available on our web site.

What's new:

HCV utilization data, including # of families assisted (both CY and Q), # of authorized vouchers, % of authorized vouchers in use, and total assistance payments to owners, by PHA. Most data going back to 2004.

Estimated sequestration cuts in vouchers, by PHA, as of July 2014.



Show impact: # of families assisted. Many don't realize vouchers' impact.

Also a major source of rents for local owners, which can play important role in helping them to maintain housing in good condition that meets federal HQS. Particularly important in preventing blight in weaker markets.

Illustrate local impact of sequestration cuts.

Identify PHAs that could be using funds more effectively to serve more families. Many possible causes of low utilization, some outside of PHA control. But may also reflect poor management. Cf. PHA utilization to earlier years, to other state PHAs, to national average. If lower, open dialogue about why, how to improve. Explain using example.

These data are a starting point – they do not tell the full story alone, and by themselves are just boring numbers. Don't lead with numbers! They should back up and enhance the message you're trying to get across. Some examples:

- In addition to the number of vouchers in use – who are those families? People with disabilities living independently? Seniors on a fixed income? Find local stories to flesh out the numbers.
- How vouchers affect local homelessness or other goals – did voucher cuts set you back? Are PHAs dedicating vouchers to these efforts? Would you like them to be?
- Find good local examples – a family using a voucher to escape homelessness. A landlord to whom vouchers are an important part of

their bottom line, and dedication to the community.

- What does 95% utilization mean? Less vouchers for victims of DV, PWDs, etc. Just a lower utilization rate doesn't say much.

## Next steps

- Continue to educate about the impact of sequestration in your community and the importance of restoring vouchers cut
- Make sure policymakers are aware of PHAs that are leasing up and the funding that will be needed to continue to restore vouchers cut due to sequestration

Now is a great time to catch the media's attention about homelessness, poverty, and the impacts of cuts to vouchers in your community.

FY15 funding decisions will be made very soon. Agencies are now in process of increasing the number of families they're serving – funding has to be sufficient to allow that process to continue into 2015 to make up for at least a significant portion of the 100,000 vouchers lost due to sequestration