

# **Prospects for 2016 Funding and Implications for Voucher Utilization**

Barbara Sard & Douglas Rice  
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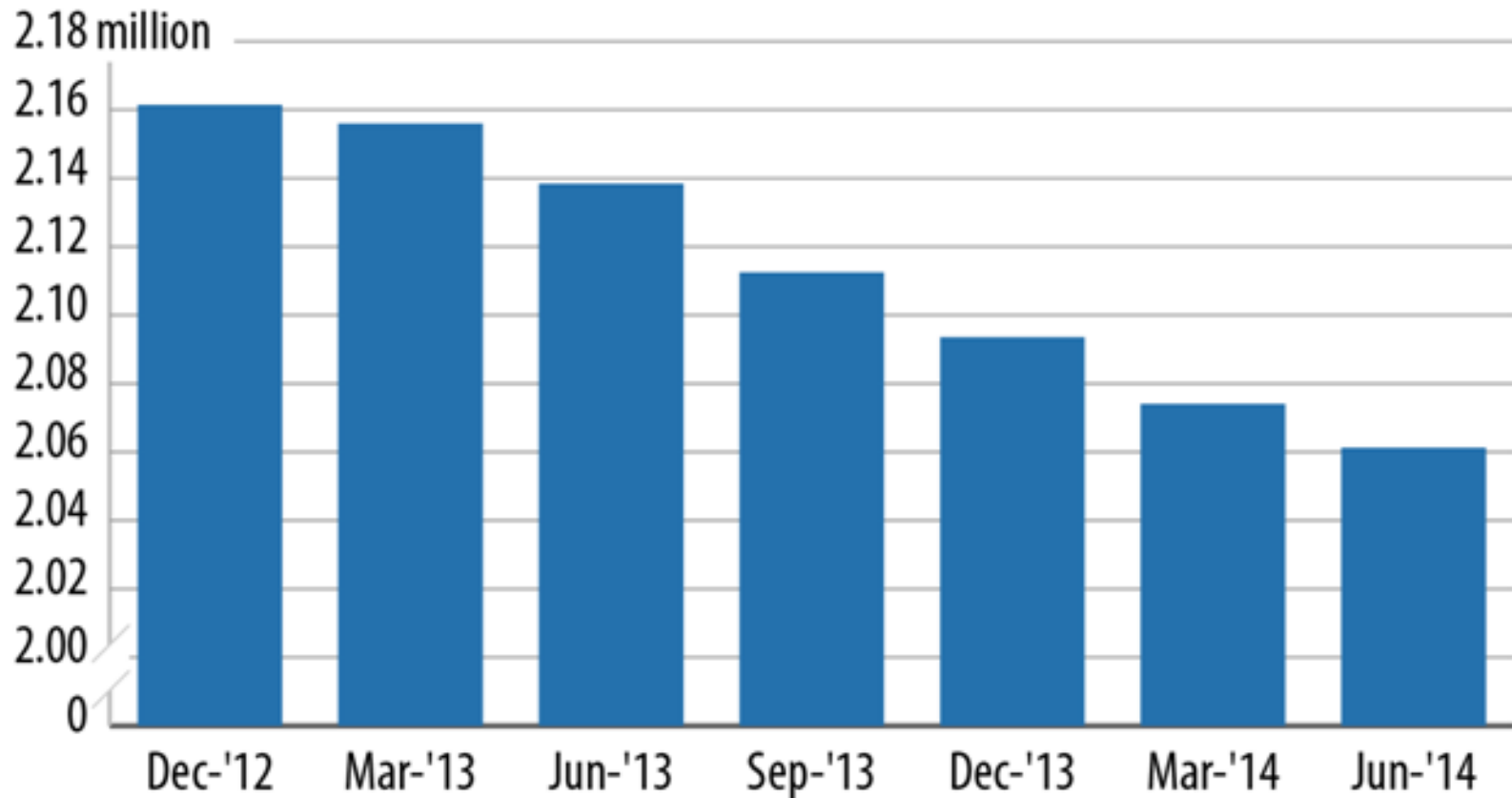


# Agenda

- Where does the Housing Choice Voucher program stand today and for the remainder of 2015?
- What is the funding outlook for 2016?
- What are the implications of the 2016 budget outlook for voucher utilization this year?
- Q&A



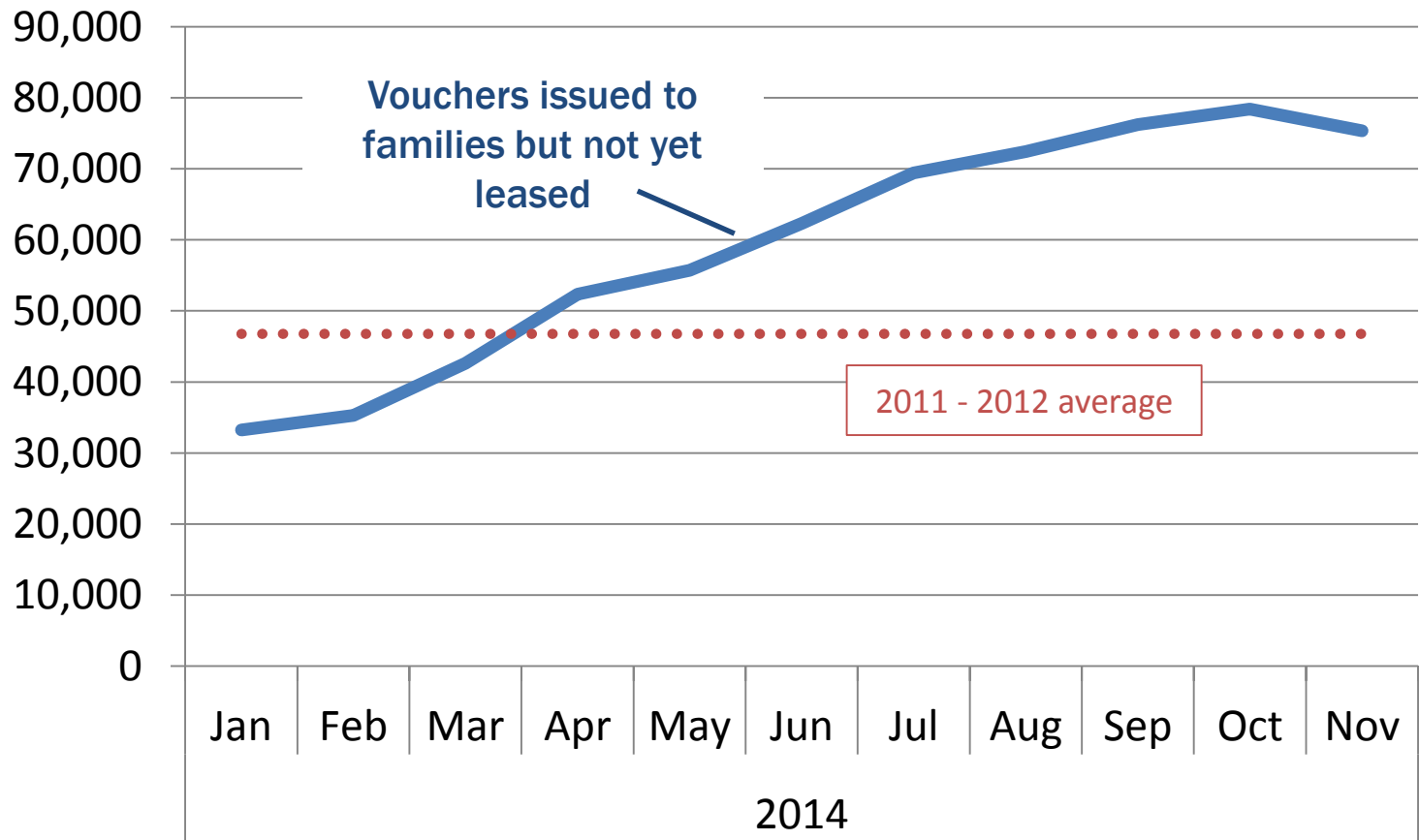
# Sequestration's Toll: 100,000 Fewer Families Using Housing Vouchers



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



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



Source: CBPP analysis of HUD data.



# Restoring Vouchers in 2015

- Renewal funding will cover “at least” 100% of agencies’ renewal costs
- PHAs that leased vouchers at end of 2014, or issued vouchers by 12/31/14 that leased early in 2015, may be eligible for additional “set-aside” funding
  - Details will be in HUD’s upcoming notice on FY15 implementation
  - “Maintaining leasing” is 1<sup>st</sup> priority, but eligibility will depend on agency reserve levels



## Restoring Vouchers in 2015 - continued

- PHAs have unspent funds from 2014 that they can use to restore vouchers in 2015
  - HUD's 2015 renewal funding award documents, which PHAs should receive within a few days, will include these amounts
- PHAs could restore more than 30,000 vouchers in 2015, relative to 2014



# “Doesn’t sequestration return in 2016?”

- Under BCA, NDD spending cap is roughly flat in 2016; but there will be no across-the-board funding cuts as in 2013
- Congress is clearly committed to renewing all vouchers in use & to averting voucher terminations for assisted families
- Changes to BCA caps may be part of budget negotiation later this year (more below)



# President's 2016 voucher request

- Includes full renewal funding, assuming restoration of ~30,000 vouchers in 2015
- Restores remaining 67,000 vouchers cut under sequestration; 30,000 of these vouchers targeted on urgent needs
- Increases admin fee funding by 32%





# President's restoration voucher proposal

- \$277M for 37,000 vouchers distributed based on “relative need”
- \$177M for 22,500 vouchers for homeless families, veterans, and tribal families, and victims of domestic/dating violence
- \$37.5M for 4,900 vouchers for DV victims fleeing assisted housing (to implement emergency transfer provisions of VAWA)
- \$20M for 2,600 Family Unification Program vouchers



## Proposed Voucher Program Funding for FY 2016 (in millions)

Program	2014	2015	President's Budget 2016
Housing Vouchers	\$19,177	\$19,304	\$21,123
<i>Renewals</i>	\$17,366	\$17,486	\$18,334
<i>Admin fees</i>	\$1,500	\$1,530	\$2,020
<i>Tenant protections</i>	\$130	\$130	\$150
<i>VASH</i>	\$75	\$75	-
<i>Restoration vouchers</i>			\$512
<i>811 Mainstream</i>	\$107	\$83	\$108



## Legislative timeline/outlook

- House/Senate THUD hearings in Feb/Mar; Approps markups begin in Apr/May, continue through Jun/Jul; THUD timing uncertain
- House/Senate approps bills may be on floor in Jun/Jul; THUD timing uncertain
- There is likely to be a budget deal in the fall; raising the NDD cap is one of the President's key goals, though outcome is very uncertain
- Finalization of THUD, other bills in fall after resolve total NDD funding level



## Implications for 2015 utilization

- Risk of renewal shortfall in 2016 is low
- Risk of deep shortfalls that would force terminations is close to zero
- Voucher usage data from first 8 months of 2015 will drive, in part, renewal funding included in final 2016 HUD bill
- By restoring vouchers, PHAs increase their share of admin fees in 2015 & share of renewal funding in 2016



## Implications for 2015 utilization - continued

- Reserves above 6-8% level may be offset in 2016, if left unused in 2015
- Risk that if PHAs don't use available funds to serve families this year, they will be locked into current low usage for foreseeable future (cf. 2007 – 2009)
- PHAs should use HUD's 2-yr forecasting tool to maximize the number of families leasing vouchers this year



## Data on CBPP's [web site](#)

- 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
- Federal rental assistance fact sheets, by state
- Rental assistance in rural and urban areas