

MEMORANDUM

To: Members of the Committee on Financial Services

From: FSC Majority Staff

Date: April 12, 2018

Subject: April 17, 2018, Housing and Insurance Subcommittee Hearing Entitled “Housing Choice Voucher Program: An Oversight and Review of Legislative Proposals”

On Tuesday, April 17, 2018, at 2:00 p.m. in Room 2128 of the Rayburn House Office Building, the Housing and Insurance Subcommittee will hold a legislative hearing entitled “Housing Choice Voucher Program: An Oversight and Review of Legislative Proposals.” This hearing will review the Housing Choice Voucher Program and, in particular, examine three specific legislative proposals that will address how the program could improve mobility among families, foster kids and those individuals recovering from opioid addiction. This will be a one-panel hearing with the following witnesses:

- Mr. Dean Hammond, Board Member, Foundation for Affordable Housing in Kentucky
- Ms. Lynn Kovich, Deputy Secretary, Office of Mental Health and Substance Abuse Services, Pennsylvania Department of Human Services
- Ms. Barbara Sard, Vice President for Housing Policy, Center for Budget & Policy Priorities
- Ms. Ruth White, Executive Director, National Center for Housing & Child Welfare

The hearing will examine the following legislative proposals:

1. H.R. ____, the “Housing Choice Voucher Mobility Demonstration Act of 2018”;
2. H.R. ____, the “Transitional Housing for Opioid Recovery Demonstration Program Act of 2018”; and
3. The amended version of H.R. 2069, the “Fostering Stable Housing Opportunities Act of 2018”

Background on the Housing Choice Voucher Program

The HCV program is authorized under Section 8(o) of the United States Housing Act of 1937 (42 U.S.C. 1437f (o)) and is administered locally by approximately 2,300 Public Housing Agencies (PHAs). A family who is issued a housing voucher is responsible for finding a suitable housing unit of the family's choice, including single-family homes, townhouses, and apartments, in which the owner agrees to rent under the program (provided the rental unit passes a Housing Quality Standards (HQS) inspection performed by the PHA). Tenant-based housing assistance is provided on behalf of the family or individual as opposed to a subsidy tied to a particular unit or project. Participating families may subsequently choose to move to another unit, neighborhood, or community without losing their rental assistance. Of the families currently receiving HCV assistance, 76 percent are extremely low-income, with incomes at or below 30 percent of the area median income, 36 percent have a disabled head of household, and 24 percent are elderly.

The PHA pays the housing subsidy directly to the owner of the unit on behalf of the participating family. The family is responsible for paying the difference between the gross rent of the unit and the amount subsidized by the program. The family must pay a minimum of 30 percent of their adjusted monthly income toward rent and utilities. The amount of the subsidy is capped by the payment standard established by the PHA, which may be between 90 and 110 percent of the Fair Market Rent (FMR) for the area. If families rent units with rents above the payment standard, for instance for units located in more desirable areas with greater opportunity, the family pays the difference between the gross rent and the payment standard in addition to the 30 percent of monthly adjusted income. Funding for the HCV program consists of two main cost components: (1) Housing Assistance Payments (HAP) made to owners to cover the difference between a tenant's rent contribution and the unit rent, and (2) administrative fees paid to PHAs to cover the cost of administering the program.