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House Bill Would Fund Housing Vouchers and Other Key Investments to Reduce Homelessness, Help With Rising Housing Costs

By Sonya Acosta

The House Appropriations Committee on June 30 approved a bill that would provide 140,000 more households access to the Housing Choice Voucher program, the country's most important source of assistance to help people with low incomes afford safe, stable homes.¹ The fiscal year 2023 Transportation and Housing and Urban Development (HUD) appropriations bill would provide \$62.7 billion for HUD — a \$8.9 billion or 17 percent increase over current levels — including funding to provide the additional vouchers, cover the costs of helping current voucher holders retain stable housing despite rising rents, expand services to broaden housing choice, and invest in other critical rental and homelessness assistance programs.

And, as the appropriations process continues, policymakers should amend the bill to strengthen the housing voucher program further, including through key changes that would not affect the bill's cost.

Housing vouchers are highly effective at reducing homelessness, overcrowding, and housing instability.² The program currently helps about 2.3 million households by covering rent and utility costs for a home of their choice in the private market. But due to limited funding, only 1 in 4 households eligible for a voucher receives any federal rental assistance.³

This lack of affordable housing assistance disproportionately affects Black, Latino, and American Indian and Alaska Native households because of long-standing inequities stemming from structural

¹ CBPP, "Policy Basics: The Housing Choice Voucher Program," updated April 12, 2021, <https://www.cbpp.org/research/housing/the-housing-choice-voucher-program>.

² CBPP, "Housing Choice Vouchers Sharply Reduced Crowded Housing, Homelessness, and Frequent Moves, Study Shows," <https://www.cbpp.org/housing-choice-vouchers-sharply-reduced-crowded-housing-homelessness-and-frequent-moves-study-6>.

³ CBPP, "76% of Low-Income Renters Needing Rental Assistance Don't Receive It," <https://www.cbpp.org/research/housing/three-out-of-four-low-income-at-risk-renters-do-not-receive-federal-rental-assistance>.

racism in housing, education, and employment.⁴ Civil rights and faith-based organizations, private housing industry groups, and state and local housing agencies have all called for a large increase in voucher funding.⁵

The House bill provides \$1.1 billion for an estimated 140,000 additional vouchers, building on recent years' increases to give more people assistance. Although not as high as the Biden Administration's budget request for 200,000 new vouchers, the bill would be an important step toward meeting President Biden's campaign goal of eventually providing vouchers to all eligible households.

The bill would allow HUD to institute program rules to ensure that new vouchers can reach people who are experiencing or at risk of homelessness. This is an urgent goal since on a single night in January 2020 — for which we have the most recent available national data — more than 580,000 people experienced homelessness and the number of people living in tents and other unsheltered settings had increased for the fifth consecutive year.⁶

Moreover, emergency rental assistance funded through pandemic relief legislation, which has helped many renters stay housed, is on pace to largely run out by year-end.⁷ Already, almost a third of states and localities have closed their programs to new applicants.⁸ More vouchers in 2023 and beyond would provide long-term assistance for those at risk of eviction and homelessness.

We estimate the bill's additional vouchers would help 302,000 people (in 140,000 households), including 96,000 children, 53,000 people with disabilities, and 37,000 older adults. (See Table 1.) About 63 percent of the new vouchers would go to households of color due to their disproportionate rates of need. (See Table 2.)

Vouchers can also help households manage the increasing costs of rent and utilities.⁹ Through May 2022 rents for newly leased units were 16 percent higher than a year earlier, according to one national rent index.¹⁰

⁴ Erik Gartland, "Chart Book: Funding Limitations Create Widespread Unmet Need for Rental Assistance," February 15, 2022, <https://www.cbpp.org/research/housing/funding-limitations-create-widespread-unmet-need-for-rental-assistance>.

⁵ Coalition letter to Senate Appropriations Subcommittee on Transportation, Housing and Urban Development, and Related Agencies, June 15, 2022, https://nlihc.org/sites/default/files/Voucher-Funding_Sign-On_6-15-22.pdf.

⁶ CBPP, "Unsheltered Homelessness Increased Every Year Since 2015," <https://www.cbpp.org/unsheltered-homelessness-increased-every-year-since-2015-0>.

⁷ Erik Gartland, "Relief Measures Reduced Hardship for Renters During Pandemic, but Many Still Struggle to Pay Rent in Every State," CBPP, June 17, 2022, <https://www.cbpp.org/research/housing/relief-measures-reduced-hardship-for-renters-during-pandemic-but-many-still#scene-0>.

⁸ National Low Income Housing Coalition, "Treasury Emergency Rental Assistance (ERA) Dashboard," accessed June 30, 2022, <https://nlihc.org/era-dashboard>.

⁹ Will Fischer, "Surging Rent and Utility Costs Make Need for Housing Vouchers More Urgent," CBPP, March 21, 2022, <https://www.cbpp.org/blog/surging-rent-and-utility-costs-make-need-for-housing-vouchers-more-urgent>.

¹⁰ Nicole Bachaud, "Housing Affordability Hits 15-Year Low as Prices, Mortgage Rates Rise (May 2022 Market Report)," Zillow, June 21, 2022, <https://www.zillow.com/research/may-2022-market-report-31157/>.

The tight housing market has made it harder for renters — voucher holders included — to find homes. Still, state and local housing agencies have managed to put nearly all of their voucher funding to use, providing people with housing stability. After dipping during 2021 in a challenging rental market, the program’s budget utilization rate rose substantially in early 2022. (This excludes agencies participating in the Moving to Work demonstration, which allows them to shift funds from the voucher program to other purposes.) Such fluctuation is normal and follows patterns from the last decade when utilization averaged 99.9 percent.¹¹

The House bill includes critical increases (compared to fiscal year 2022) that would help the program overcome some of the challenges associated with high rents and low vacancy rates. This includes an increase of 8.7 percent to cover inflation-related costs of helping current voucher holders, 14 percent more in administrative funding for housing agencies to help people obtain housing effectively and efficiently, and new funds to let more agencies provide mobility services that help interested voucher holders access homes in a wider range of neighborhoods.

House Bill a Blueprint; Other Steps Would Further Strengthen Voucher Program

As Congress continues its work on appropriations bills for fiscal year 2023, the House bill provides a blueprint of how to prioritize housing resources for those who need it most. The Senate and final bills should include the robust investments in housing vouchers; resources to connect people experiencing homelessness with the services and assistance needed to obtain and maintain stable housing; funding for housing agencies to operate, maintain, and improve public housing for more than 855,000 resident households; and investments in Native American housing programs, because tribes are otherwise not eligible for many other HUD resources.

Moreover, to further strengthen the effectiveness of the housing voucher program, the Senate should make the following adjustments in its version of the bill, none of which would require additional funding in 2023. It should:

- Include the Administration’s proposal to let HUD reallocate unused voucher funds from housing agencies that aren’t using them to other agencies for the purpose of assisting more families, with a preference for agencies that are located nearby. Hundreds of agencies used all or nearly all of the funding they received during 2021 and early 2022 and could promptly use these additional resources to reduce households’ housing hardship. A related provision in the House bill would eliminate one barrier to agencies helping more people in need (by removing a cap on the number of vouchers they can put to use with the funds available to them), but the Administration’s funding reallocation proposal is also needed.
- Allow voucher assistance funds to be used to cover security deposits and holding fees, making it easier for households to use their vouchers. Security deposits can be a significant barrier for families with low incomes, and covering them will be particularly helpful for expanding access and choice for people recently experiencing homelessness or for people with disabilities who are seeking accessible homes. Holding fees incentivize landlords’

¹¹ CBPP, “Housing Agencies Spend Virtually All of Their Voucher Assistance Funds,” <https://www.cbpp.org/housing-agencies-spend-virtually-all-of-their-voucher-assistance-funds-1>.

participation in the program by minimizing their income loss and giving them payments in the period before voucher subsidy payments start.

- Extend the deadline for reissuing Emergency Housing Vouchers (EHVs) for at least a year beyond their current September 30, 2023, cutoff — and preferably for longer. EHVs, which were another pandemic relief program funded through the American Rescue Plan, are a crucial and highly effective component of local efforts to address homelessness. The leasing of these vouchers has grown steadily, but ramp-up efforts required time to build capacity and establish the necessary programmatic relationships and procedures. The need for these vouchers remains very high, driven in part by the unusually rapid growth in rent and utility costs, which has put additional families and individuals at risk of losing their homes.

Maintaining the current EHV deadline would mean that in just 15 months, agencies could no longer reissue the vouchers to new households when another leaves the program. The 2023 appropriations bill is likely the only legislative opportunity to ensure a deadline extension is in place before agencies have to stop helping new households — steps that will be hard to reverse.

TABLE 1

Estimated Number of Households and People Assisted Through Housing Voucher Expansion Proposed in the House 2023 Appropriations Bill, by State

State	Households	People	Female	Children (Under 18)	People With Disabilities	Older Adults (62 and older)
Alabama	1,300	2,700	1,600	900	500	200
Alaska	400	800	400	300	200	100
Arizona	2,700	5,800	3,200	2,000	900	600
Arkansas	800	1,800	1,000	600	400	200
California	30,600	66,200	36,000	21,300	9,000	8,000
Colorado	2,300	5,000	2,700	1,500	900	600
Connecticut	1,200	2,600	1,500	800	500	300
Delaware	300	600	400	200	100	100
District of Columbia	1,000	2,200	1,300	600	400	300
Florida	7,700	16,600	9,400	5,200	2,700	2,300
Georgia	3,300	7,100	4,200	2,600	1,100	700
Hawai'i	1,100	2,400	1,300	800	300	300
Idaho	500	1,200	600	300	300	100
Illinois	4,000	8,600	4,900	2,700	1,400	1,100
Indiana	1,900	4,000	2,300	1,300	800	400
Iowa	800	1,800	1,000	500	300	200
Kansas	800	1,700	1,000	500	400	200
Kentucky	1,300	2,800	1,600	1,000	700	200
Louisiana	1,400	3,000	1,700	1,100	500	300
Maine	500	1,000	600	300	300	200
Maryland	1,900	4,200	2,400	1,400	700	500
Massachusetts	3,700	8,000	4,600	2,200	1,700	1,200
Michigan	2,900	6,200	3,500	1,900	1,400	700
Minnesota	1,900	4,200	2,400	1,300	1,000	700

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State	Households	People	Female	Children (Under 18)	People With Disabilities	Older Adults (62 and older)
Mississippi	700	1,400	800	600	300	100
Missouri	1,900	4,200	2,400	1,300	900	500
Montana	400	800	400	200	200	100
Nebraska	600	1,400	800	400	300	200
Nevada	1,500	3,300	1,700	1,100	600	400
New Hampshire	400	900	500	200	300	200
New Jersey	3,300	7,100	4,000	2,300	1,100	1,000
New Mexico	800	1,700	1,000	600	300	200
New York	17,500	37,800	21,300	11,300	6,400	6,000
North Carolina	3,100	6,700	3,900	2,300	1,200	700
North Dakota	200	500	200	100	100	100
Ohio	3,700	7,900	4,500	2,600	1,800	900
Oklahoma	1,200	2,500	1,400	900	500	200
Oregon	2,700	5,900	3,200	1,700	1,400	800
Pennsylvania	4,100	8,800	5,000	2,600	2,100	1,200
Puerto Rico	700	1,600	N/A	N/A	N/A	N/A
Rhode Island	400	800	500	200	200	100
South Carolina	1,400	3,000	1,700	1,000	600	300
South Dakota	300	600	300	200	100	100
Tennessee	2,100	4,500	2,600	1,600	900	400
Texas	8,700	18,900	10,700	7,000	2,800	1,700
Utah	800	1,700	900	600	200	100
Vermont	300	500	300	100	200	100
Virginia	2,300	4,900	2,800	1,600	800	500
Washington	4,300	9,300	5,100	2,800	1,900	1,200
West Virginia	400	1,000	500	300	200	100
Wisconsin	1,700	3,600	2,100	1,000	800	600
Wyoming	200	300	200	100	100	100
Total U.S.	140,000	302,000	168,000	96,000	53,000	37,000

Notes: Figures are rounded to the nearest 100 and may not sum to totals due to rounding. N/A indicates reliable data are not available. The American Community Survey (ACS) identifies people with disabilities based on six types of disability; respondents reporting any of the six are considered to have a disability. For more details on the six disability types see: <https://www.census.gov/topics/health/disability/guidance/data-collection-acs.html>.

The table shows estimates of the number of vouchers each state would receive under the voucher expansion proposed in the House's fiscal year 2023 budget. The estimates assume the 140,000 estimated total vouchers are allocated among states according to a formula that places equal weight on (1) the number of people experiencing homelessness and (2) the number of households that are very low income (less than 50 percent of the local median) and have one or more of the following problems: severe cost burden (paying more than 50 percent of their monthly income on rent and utilities), severe overcrowding (more than 1.5 persons per room), or incomplete kitchen or plumbing facilities. Demographic population estimates are determined by multiplying the total number of people we estimate will receive vouchers in the state by the demographic's share among the state's severely cost-burdened, very low-income households. We include Guam, the Northern Mariana Islands, and the Virgin Islands in the total number of households, assuming they will receive 300 vouchers based on their share of all households currently receiving vouchers.

Source: CBPP analysis of 2015-2019 ACS microdata and 2014-2018 Comprehensive Housing Affordability Strategy data; 2019 HUD area median income limits; 2020 Point-in-Time Count data

TABLE 2

**People Assisted Through Housing Voucher Expansion Proposed in House 2023
Appropriations Bill, Estimated Share by State and Race/Ethnicity**

State	American Indian or Alaska Native	Asian or Pacific Islander	Black	Latino	Multiracial	White
Alabama	0%	1%	51%	8%	2%	37%
Alaska	16%	10%	5%	17%	6%	45%
Arizona	4%	3%	8%	44%	3%	37%
Arkansas	0%	1%	35%	9%	3%	51%
California	0%	12%	9%	51%	3%	24%
Colorado	1%	4%	8%	34%	4%	49%
Connecticut	0%	4%	20%	39%	3%	34%
Delaware	0%	4%	38%	21%	2%	35%
District of Columbia	1%	3%	70%	12%	1%	13%
Florida	0%	2%	27%	39%	2%	30%
Georgia	0%	3%	52%	15%	3%	27%
Hawai'i	0%	34%	3%	20%	17%	25%
Idaho	1%	1%	1%	19%	3%	74%
Illinois	0%	5%	36%	21%	3%	34%
Indiana	0%	4%	27%	11%	4%	55%
Iowa	1%	5%	14%	12%	3%	65%
Kansas	1%	3%	18%	17%	5%	56%
Kentucky	0%	2%	18%	6%	4%	70%
Louisiana	0%	1%	60%	8%	2%	29%
Maine	1%	1%	4%	3%	6%	84%
Maryland	0%	5%	46%	18%	3%	27%
Massachusetts	0%	8%	13%	29%	3%	45%
Michigan	1%	3%	37%	7%	4%	47%
Minnesota	3%	6%	25%	11%	5%	50%
Mississippi	0%	1%	67%	3%	2%	27%
Missouri	1%	3%	29%	6%	4%	57%
Montana	10%	1%	0%	6%	5%	77%
Nebraska	1%	4%	16%	19%	4%	56%
Nevada	1%	6%	21%	36%	4%	32%
New Hampshire	0%	4%	4%	9%	3%	80%
New Jersey	0%	6%	23%	39%	2%	29%
New Mexico	10%	1%	3%	57%	2%	27%
New York	0%	10%	22%	35%	2%	30%
North Carolina	1%	2%	41%	14%	3%	39%
North Dakota	11%	2%	6%	7%	3%	71%
Ohio	0%	3%	32%	7%	5%	52%
Oklahoma	8%	2%	19%	13%	10%	48%
Oregon	1%	5%	5%	20%	6%	62%
Pennsylvania	0%	4%	24%	20%	4%	48%

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People Assisted Through Housing Voucher Expansion Proposed in House 2023 Appropriations Bill, Estimated Share by State and Race/Ethnicity

State	American Indian or Alaska Native	Asian or Pacific Islander	Black	Latino	Multiracial	White
Rhode Island	1%	4%	9%	30%	3%	53%
South Carolina	0%	2%	49%	10%	2%	36%
South Dakota	27%	2%	3%	7%	3%	57%
Tennessee	0%	2%	38%	10%	3%	47%
Texas	0%	4%	23%	46%	2%	24%
Utah	2%	5%	6%	25%	3%	59%
Vermont	1%	3%	4%	2%	3%	86%
Virginia	0%	5%	34%	17%	4%	39%
Washington	1%	9%	10%	20%	7%	54%
West Virginia	0%	1%	10%	2%	5%	82%
Wisconsin	1%	4%	24%	12%	4%	55%
Wyoming	1%	1%	3%	16%	4%	76%
Total U.S.	1%	6%	24%	29%	3%	37%

Notes: Latino category may contain individuals of any race who identify as Latino or Hispanic; other categories exclude individuals who identify as Latino or Hispanic. Race-ethnicity shares are determined based on the race-ethnicity group's share among very low-income households in the state that are severely cost burdened (paying more than 50 percent of their monthly income on rent and utilities).

Source: CBPP analysis of 2015-2019 American Community Survey microdata; 2019 HUD area median income limits