June 8, 2021

The Honorable Maxine Waters  
Chairwoman  
U.S. House Committee on Financial Services  
2129 Rayburn House Office Building  
Washington, DC 20515

The Honorable Patrick McHenry  
Ranking Member  
U.S. House Committee on Financial Services  
2004 Rayburn House Office Building  
Washington, DC 20515

Dear Chairwoman Waters and Ranking Member McHenry,

The Housing Choice Voucher program is HUD’s largest program, administered by thousands of public housing authorities across the country and serving around 5.2 million people in approximately 2.3 million households. Yet, due to limited funding, families often wait years to receive a voucher, and only one in five eligible households receives assistance.

The Bipartisan Policy Center previously recommended making housing vouchers available to all eligible households with incomes at or below 30% of area median income who apply for assistance. To that end, we applaud the committee for hosting a hearing to explore how an expanded housing voucher program can work to effectively end homelessness and promote economic opportunity for more Americans. In advance of the hearing, we wish to raise several considerations from our work:

An expanded housing voucher program should focus long-term rental assistance on households with the greatest needs.

In 2013, BPC’s Housing Commission noted that increased federal support was needed to make sufficient progress toward the 1949 Housing Act goal of a “decent home and a suitable living environment” for all American families. Specifically, it recommended that federal rental assistance be made available to all eligible households with incomes at or below 30% of area median income who apply for such assistance.1 As a result of limited personal financial resources and the limited availability of federal rental support, the vast majority of these households are forced to spend more than half of their income just on rent.

As opposed to current program rules, the commission recommended that all newly available vouchers be issued to extremely low-income households, ensuring that voucher assistance is deeply targeted to households with the greatest needs. According to an analysis by Abt Associates prepared for the BPC Housing Commission, the estimated annual cost of providing increased voucher coverage was approximately $22.5 billion—which was based on providing a voucher to currently unassisted and cost-burdened renter households, adjusted for expected participation.2 At that time, 3.6 million out of 11.1 million extremely low-income renter households already received assistance.

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An expanded housing voucher program should help sustain private investment in the supply of rental housing.

Helping to narrow the gap between incomes and housing costs not only directly benefits millions of extremely low-income households, it can also help sustain private investment in the supply of rental housing. If tenants cannot afford the economic costs of their housing, landlords are often forced to choose between two equally undesirable outcomes: defer maintenance and withhold capital investments, or “volunteer” to support tenants by forgoing a reasonable return on their investments—which is both unreasonable and unrealistic. While rental assistance is usually categorized as a social program designed to help meet the basic needs of low-income families, it is also a large-scale investment in the physical infrastructure of our communities.

Additional reforms could make the voucher program more effective and impactful.

At a time when there is enormous pressure and competition for existing federal resources, and the federal government has already spent massively to combat the pandemic and its impacts, dramatic expansion of the voucher program is an ambitious goal. Yet the impacts could be profound and transformative: it could, in effect, end homelessness for the vast majority of those experiencing it. Virtually all households experiencing homelessness have incomes under 30% of the area median and most experience homelessness almost exclusively for economic reasons. In addition, all vulnerable people with disabilities and the growing number of older adults experiencing homelessness would be able to count upon stable housing.

Housing vouchers also uniquely allow low-income households to live in communities they may not typically be able to afford, offering them a chance to move out of high-poverty, low-opportunity neighborhoods. However, in part because of the difficulty of finding suitable, affordable housing or willing landlords with acceptable units, 40% of voucher-holding families with children live in areas deemed to be low opportunity—i.e., the bottom 20% of census tracts based on a composite measure of school quality, economic opportunity, poverty rates, transit access, and employment. Tenants with a voucher disproportionately live in low-opportunity, racially segregated neighborhoods and almost a quarter million children in the voucher program live in neighborhoods of extreme poverty.

This situation has led many, on both sides of the aisle, to propose policy options that would address barriers to housing choice and better support mobility, including:

- Coupling vouchers with mobility counseling, particularly for families with young children, as well as flexible funding to assist with security deposits, applications, broker fees and other barriers to housing in higher-cost neighborhoods
- Providing limited, flexible funding to public housing authorities for landlord incentives, like signing bonuses, or a damage mitigation pool
- Expanding the use of small-area fair market rents
- Further prohibiting discrimination against voucher holders
- Launching pilot programs to coordinate and connect vouchers with other federal programs to better reach and assist vulnerable populations
Expanding housing vouchers has bipartisan support.

In recent years, Republicans and Democrats have also come together to reform and expand the housing voucher program through legislation including:

- The **Housing Choice Voucher Mobility Demonstration Act** *(H.R. 5793/S. 2945)* was introduced in 2018 by Rep. Sean Duffy (R-WI) and Rep. Emmanuel Cleaver (D-MO). It proposed a limited demonstration program enabling public housing agencies to provide housing vouchers designed to encourage low-income families receiving such assistance to move to lower-poverty areas and access to areas of greater opportunity. Congress authorized and funded the demonstration with $50 million in both the fiscal year 2019 and 2020 appropriation bills.

- The **Family Stability and Opportunity Vouchers Act** *(S. 3083)* was introduced by Sens. Todd Young (R-IN) and Chris Van Hollen (D-MD) in 2019, to create 500,000 new Housing Choice Vouchers over 5 years for families with young children experiencing homelessness or housing instability.

- The **Fostering Stable Housing Opportunities Act** *(H.R. 4300/S. 2803)* was introduced by Sens. Sherrod Brown (D-OH) and Chuck Grassley (R-IA) and Reps. Madeleine Dean (D-PA), Mike Turner (R-OH), Karen Bass (D-CA), and Steve Stivers (R-OH) to provide “on demand” vouchers to foster youth who are at risk of homelessness as they transition to adulthood. The legislation became law as part of the fiscal year 2021 appropriations bill that passed in December 2020 with additional COVID-19 relief.

- HUD-VASH provides housing vouchers and case management services to veterans experiencing chronic homelessness. In recent years, Congress has provided sufficient funding to renew all HUD-VASH vouchers and advanced bipartisan legislation to improve the program and expand eligibility, passing the **Johnny Isakson and David P. Roe, M.D., Veterans Health Care and Benefits Improvement Act** *(H.R. 7105/P.L. 116-315)* and the **Veteran HOUSE Act** *(H.R. 2398/ incorporated into P.L. 116-283)*.

From BPC’s Housing Commission in 2013 to our recently launched Housing Advisory Council, BPC has repeatedly found support from both sides of the aisle for increasing the number of available housing vouchers. As further evidenced by this recent history of bipartisanship, we believe there is ample opportunity to make lasting improvements to and expand federal support for housing vouchers on a bipartisan basis.

Thank you for your leadership and the opportunity to provide our input on this critically important program.

Sincerely,

Michael Kelley  
Director  
Bipartisan Policy Center Action

Andy Winkler  
Associate Director  
Bipartisan Policy Center

CC: Members of the U.S. House Committee on Financial Services