

Appropriations: Housing Choice Voucher Program

April 2010

Program Overview

Section 8 Housing Choice Voucher program is the core program intended to assist extremely low income people with the cost of housing. Participants pay 30 percent of their incomes toward rent, with the program paying the remainder up to a set maximum. Approximately 2 million households receive rental assistance through this program, and 75 percent of all new vouchers are targeted to people with incomes at or below 30 percent of Area Median Income (AMI), which targets practically all people who are homeless.

There is clear evidence that housing subsidies prevent and end homelessness for even the most vulnerable families. Families who exit shelter with a housing subsidy are 21 times more likely to remain stably housed than comparable families exiting shelter without a subsidy. Today, approximately 5 million households receive some form of federal assistance to help pay for housing, but there are 10 million eligible families who do not receive them because of lack of funding.

Recommendation

Congress should address this funding gap by providing funding for 200,000 new Housing Choice Vouchers in FY 2011, which should include:

- \$85 million for 10,000 Housing and Services for Homeless Persons Demonstration program vouchers, and
- \$75 million for 10,000 new HUD-VA Supportive Housing (HUD-VASH) program vouchers.

Housing and Services for Homeless Persons Demonstration

The Administration has requested funding for a *Housing and Services for Homeless Persons Demonstration*--\$85 million from HUD's Section 8 Housing Choice Voucher program to be combined with services provided through the Substance Abuse and Mental Health Services Administration (SAMHSA), Medicaid, and the Temporary Assistance for Needy Families (TANF) program within HHS. Housing coupled with services is a model proven to end homelessness for many individuals and families who are experiencing homelessness. The demonstration has the potential to promote the type of cross-agency partnerships that will greatly improve homelessness assistance.

HUD-VA Supportive Housing Program

The HUD-VASH program combines a Section 8 Housing Choice Voucher with case management and clinical services provided by the VA. Evaluation of the HUD-VASH program has found that recipients increase days housed, employment, income, and social networks. The HUD-VASH program has demonstrated decreases in the number of days recipients spend homeless or in institutions and reductions in the use of alcohol.

In 2008, there were approximately 131,000 veterans experiencing homelessness, many of whom are chronically homeless, living on the streets with a severe physical or mental disability. Individuals who experience chronic homelessness typically require permanent supportive housing – housing linked with intensive supports such as those provided by the HUD-VASH program – to help them maintain housing stability. A number of studies have demonstrated that permanent supportive housing is a cost-effective approach that helps people who have intensive needs to maintain stable housing, and some evidence shows that once back in housing, they are likely to access health and substance abuse treatment services.