Housing Choice Vouchers

By Ed Gramlich, Senior Advisor, NLIHC

Administering Agency: HUD's Office of Public and Indian Housing (PIH) as well as nearly 2,100 state and local public housing agencies (PHAs).

Year Started: 1974

Population Targeted: Seventy-five percent of all new and turnover voucher households must have extremely low income (less than 30% of the area median income; AMI, or the federal poverty line, whichever is higher); the remaining 25% of new voucher households can be distributed to residents with income up to 80% of AMI.

Funding: For FY24, the Administration requested $27.84 billion to renew existing Housing Choice Voucher (HCV) contracts. For PHA administration costs, the Administration requested $3.202 billion, compared to the FY23 appropriated amount of $2.778 billion. The Administration requested $565 million for incremental vouchers, compared to only $50 million appropriated by Congress for FY23. As *Advocates' Guide* went to press, Congress had not passed an FY24 appropriations act; a short-term Continuing Resolution (CR) keeps HCV funding at the FY23 levels until further congressional action.

Congress appropriated $26.401 billion for FY23 to renew existing Housing Choice Voucher (HCV) contracts, an increase above the FY22 final appropriation of $24.1 billion. For PHA administration costs, Congress appropriated $2.778 billion, compared to the FY22 appropriated amount of $2.4 billion. Congress only appropriated $50 million in FY23 for incremental vouchers, the amount provided for in the Senate's bill; the president proposed $1.55 billion for an estimated 200,000 new incremental vouchers, while the House proposed $1.1 billion.

See Also: For related information, see the *Project-Based Vouchers, Tenant Protection Vouchers, Veterans Affairs Supportive Housing (HUD-VASH), Family Unification Program (FUP)*, and *Mainstream and Non-Elderly Disabled (NED) Vouchers* sections of this *Advocates' Guide*.

Housing Choice Vouchers (HCVs) help people with the lowest income afford housing in the private housing market by paying landlords the difference between what a household can afford to pay for rent and utilities compared to the actual rent to the owner, up to a reasonable amount. The HCV program is HUD's largest rental assistance program, assisting nearly 2.3 million households as of August 31, 2023, according to PIH's Data Dashboard.

HISTORY AND PURPOSE

Federal tenant-based rental assistance was established as part of a major restructuring of federal housing assistance for low-income families in 1974. President Richard Nixon supported the creation of the tenant-based Section 8 program as an alternative to the government's involvement in producing affordable multifamily apartments. In recent decades, the program has had broad bipartisan support. It grew incrementally between 1974 and 1996, the first year when no new, incremental vouchers were appropriated. Since then, Congress has authorized HUD to award more than 700,000 additional vouchers, but about half of these have simply replaced public housing or other federally subsidized housing that has been demolished or is no longer assisted.

There are several "special purpose voucher programs" oriented to serving special populations: HUD-Veterans Affairs Supportive Housing (HUD-VASH) Program serving homeless veterans (109,297 units); the Family Unification Program (FUP) serving families experiencing homelessness, are precariously housed and in danger of losing children to foster care, or who are unable to regain custody of children primarily due to housing problems (30,794 units); the Foster Youth to Independence Initiative (FYI) serving youth aging out of foster care to prevent them from becoming homeless; and the Mainstream and Non-Elderly Disabled programs (71,217 units and 54,727 units, respectively).

Congress will periodically award "incremental" vouchers (new vouchers that are not simply renewing existing voucher contracts) to some of the special purpose programs. The FY23 appropriations acts made $15 million available for incremental Foster Youth Independence Initiative vouchers, adding to the FY22 act's $15 million. There are separate sections for each of these in this *Advocates' Guide*.

PROGRAM SUMMARY

As of August 31, 2020, nearly 2.3 million households had Housing Choice Vouchers (HCVs), also called Section 8 tenant-based rental assistance (TBRA). HUD's Picture of Subsidized Housing reports that in 2022, of all voucher households, 77% had extremely low incomes (less than 30% of the area median income, AMI, or the federal poverty level, whichever is greater), 25% had a household member who had a disability, and 32% had a head of household who was elderly. The national average income of a voucher household was $16,610. Twenty-seven percent of the households had wage income as their major source of income, while only 3% had welfare income.

Housing vouchers are one of the major federal programs intended to bridge the gap between the cost of housing and the income of low-wage earners, people on limited fixed incomes, and other poor people. The Housing Choice Voucher Program offers assisted households the option to use vouchers to help pay rent at privately owned apartments of their choice. A household can even use a voucher to help buy a home. PHAs may also choose to attach a portion of their vouchers to particular properties (project-based vouchers, PBVs), see Vouchers: Project-Based Vouchers in this *Advocates' Guide*.

PIH has annual contracts with about 2,100 PHAs to administer vouchers, about 925 of which only administer the HCV program (these do not have any public housing units). Each PHA has a limited number of "authorized vouchers," based on the number of vouchers awarded to it since the start of the HCV program. Funding provided by Congress is distributed to these PHAs by PIH based on the number of vouchers a PHA had in use the previous year, the cost of vouchers, an increase for inflation, as well as other adjustments. However, when Congress appropriates less than needed, each PHA's funding is reduced on a prorated basis.

To receive a voucher, residents put their names on local PHA wait lists. The HCV program, like all HUD affordable housing programs, is not an entitlement program. Many more people need and qualify for vouchers than receive them. Only one in four households eligible for housing assistance receive any form of federal rental assistance. The success of the existing voucher program and any expansion with new vouchers depends on annual appropriations.

OBTAINING AND USING A VOUCHER

The HCV program has deep income targeting requirements. Since 1998, 75% of all households admitted to a PHA's voucher program during the PHA's fiscal year from its waiting list must have extremely low incomes, at or less than 30% of AMI. The remaining households can have income up to 80% of AMI.

Local PHAs distribute vouchers to income-qualified households who generally have 60 days to conduct their own search to identify private housing units that have rents within a PHA's rent "payment standard" (explained, next section). PHAs may (and should) allow more time for households struggling to find a place to rent with their voucher. There is no limit to the number of times a PHA can extend a household's search time.

Landlords are not usually required to rent to a household with a voucher, and as consequence, many households have difficulty finding a place to rent with their vouchers. Housing assisted by the Low-Income Housing Tax Credit (LIHTC), Home Investment Partnerships (HOME), or national Housing Trust Fund (HTF) programs must rent to an otherwise qualifying household that has a voucher. In addition, some states and local governments have "source of income discrimination" laws that also prohibit landlords from discriminating against households with vouchers. (However, these state and local SOI laws are generally not rigorously enforced.)

Once a household selects an apartment, a PHA must inspect it to ensure that it meets HUD's Housing Quality Standards (HQS).

Generally, voucher program participants pay 30% of their adjusted income toward rent and utilities. The value of the voucher, the PHA's "payment standard" (see next paragraph), then makes up the difference between the tenant's actual rent payment (based on 30% of their adjusted income) and the rent charged by an owner. Tenants renting units that have contract rents greater than the payment standard pay 30% of their income plus the difference between the payment standard and the actual rent (up to 40% of adjusted income for new and relocating voucher holders). After one year in an apartment, a household can choose to pay more than 40% of their income toward rent.

PAYMENT STANDARDS

The amount of the HCV subsidy for a household is capped at a "payment standard" set by a PHA, which must be between 90% and 110% of HUD's Fair Market Rent (FMR), the rent in the entire metropolitan area for a modest apartment. HUD sets FMRs annually. Nationally, the average voucher household in 2022 paid $420 per month for rent and utilities. In many areas the payment standard is not sufficient to cover the rent in areas that have better schools, lower crime, and greater access to employment opportunities – often called "high opportunity areas." In hot real estate markets where all rents are high, households with a voucher often find it difficult to use their voucher because households with higher incomes can afford to offer landlords higher rent.

A PHA may request PIH Field Office approval of an "exception payment standard" up to 120% of the FMR for a designated part of an FMR area. An exception payment standard greater than 120% of the FMR must be approved by the PIH Assistant Secretary. For either, a PHA must demonstrate that the exception payment is necessary to help households find homes outside areas of high poverty, or because households have trouble finding homes within the 60-day time limit allowed to search for a landlord who will accept a voucher.

A PHA may also establish a payment standard of up to 110% of the Small Area FMR (SAFMR) determined by HUD. PIH approval is not required; a PHA merely needs to email the PIH Field Office. Small Area FMRs reflect rents for U.S. Postal ZIP Codes, while traditional FMRs reflect a single rent standard for an entire metropolitan region – which can contain many counties. The intent is to provide voucher payment standards that are more in line with neighborhood-scale rental markets, resulting in relatively higher subsidies in neighborhoods with higher rents and greater opportunities, and lower subsidies in neighborhoods with lower rents and concentrations of voucher holders. Small Area FMRs aid households in applying vouchers in areas of higher opportunity and lower poverty, thereby reducing voucher concentrations in high poverty areas.

PHAs in 24 designated metropolitan areas have been required to use Small Area FMRs since April 2018. On October 25, 2023, PIH issued a notice in the Federal Register announcing 41 additional metropolitan areas where PHAs must use payment standards based on SAFMRs by January 1, 2025. A list of all 65 metro areas required to use SAFMRs is at https://tinyurl.com/2nxk8c6w. Altogether these 65 metro areas have more than 800,000 vouchers, 45% of all households in the voucher program. The November 16, 2016 final rule establishing Small Area FMRS also allows PHAs to voluntarily use SAFMRs.

With the coronavirus pandemic, PIH introduced various waivers to regulations. One allowed expedited PIH Field Office review of a PHA's request to increase a payment standard up to 120% of AMI. In 2022, PIH extended the deadline for PHAs to request expedited reviews of such requests to December 31, 2023. Then, on October 12, 2023, PIH issued Notice PIH 2023-29 continuing the streamlined process for PHAs to request exception payment standards through December 31, 2024. Notice PIH 2023-

29 offered PHAs three exception payment standard options and allowed PHAs to increase a household's payment standard during a Housing Assistance Payment (HAP) contract term, rather than wait until a household's next regular income reexamination. The three higher payment standard options were:

1. An exception payment standard up to 120% of the Small Area FMR for PHAs in mandatory SAFMR areas or that voluntarily chose to adopt SAFMRs ("Opt-in PHAs) for their entire jurisdiction.
2. An exception payment standard of up to 120% of the metropolitan FMR. For this option a PHA may use the exception payment standard throughout the entire FMR area in its jurisdiction, not just designated parts of the FMR area ("exception areas").
3. An exception payment standard up to 120% of the SAFMR if a PHA had already been approved for an exception payment standard of 110% of the SAFMR for certain ZIP Codes.

For each of these options, a PHA must meet one of the following criteria:

- Fewer than 80% of the households issued a voucher during the most recent 12-month period were able to successfully use their voucher to lease a home; or
- More than 40% of voucher households pay more than 30% of their adjusted income for rent.

As a result of legislation passed in 2016, the "Housing Opportunity Through Modernization Act" (HOTMA, see below), PHAs may establish an exception payment standard of up to 120% of the FMR as a "reasonable accommodation" for a person with a disability, without having to get HUD approval. PHAs may seek HUD approval for an exception payment standard greater than 120% of FMR as a reasonable accommodation.

Also due to HOTMA, PHAs have the option to hold voucher households harmless from rent increases when FMRs decline. PHAs can do this by continuing to use the payment standard based on the FMR prior to the new, higher FMR.

MOVING WITH A VOUCHER

Housing vouchers are "portable," meaning households can use them to move nearly anywhere in the country where there is a PHA administering the voucher program; use is not limited to the jurisdiction of the PHA that originally issued the voucher. A PHA is allowed to impose some restrictions on "portability" during the first year if a household did not live in the PHA's jurisdiction when it applied for assistance. However, portability has been restricted or disallowed by some PHAs due to alleged inadequate funding. Notice PIH 2016-09 requires approval of the local HUD office before a PHA may prohibit a family from using a voucher to move to a new unit due to insufficient funding. The PIH portability webpage is at https://tinyurl.com/23a7d4h7.

RESIDENT PARTICIPATION

HCV households are among the most difficult residents to organize because they can choose a private place to rent anywhere in a PHA's market and are thus less likely to live close to or have contact with each other. However, the PHA Plan process, and the requirement that voucher households be included on the Resident Advisory Board (RAB), offer platforms for organizing voucher households so that they can amplify their influence in the decision making affecting their homes.

Voucher households can play a key role in shaping PHA policies by participating in the annual and five-year PHA Plan processes. PHAs make many policy decisions affecting voucher households, including determining the value of a voucher to a household and landlord by setting "voucher payment standards." Other key policies include minimum rents, developing admissions criteria, determining the amount of time a voucher household may search for a unit, giving preferences for people living in a PHA's jurisdiction, as well as creating priorities for allocating newly available vouchers to categories of applicants (for example, homeless individuals, families fleeing domestic violence, working families, or those with limited English-speaking capability). Voucher households can play an integral role in setting the agenda for local PHAs because the RAB regulations require reasonable representation of voucher households on the RAB if voucher households comprise at least 20% of all households assisted by a PHA. See The PHA Plan section of this *Advocates' Guide*.

"HOUSING OPPORTUNITY THROUGH MODERNIZATION ACT" (HOTMA)

On July 29, 2016, President Obama signed into law the "Housing Opportunity Through Modernization Act" (HOTMA). This law made some changes to the Housing Choice Voucher and public housing programs. Intermittent HUD guidance in 2017 filled out some of the details, and a final rule pertaining to income determination and asset limitations was published on February 14, 2023. On October 8, 2020 PIH issued proposed rules to implement the HOTMA voucher provisions. This massive proposal contains many provisions already implemented through notices that must be codified in the Code of Federal Regulations (CFR), provisions not yet implemented, and numerous non-HOTMA related changes. A final rule cleared the Office of Information and Regulatory Affairs (OIRA) during 2022; however, as of the date this Advocates' Guide went to press, a final rule has not been published. It remains on HUD's Unified Agenda for Regulatory Actions. Highlights of the HCV changes include:

- **Income Determination and Recertification**:
  - For residents already assisted, rents must be based on a household's income from the prior year. For applicants for assistance, rent must be based on estimated income for the upcoming year.
    - » A PHA may determine a household's income, before applying any deductions, based on income determination made within the previous 12-month period using the income determination made by other programs, such as Temporary Assistance for Needy Families (TANF), Medicaid, the Supplemental Nutrition Assistance Program (SNAP),the Supplemental Nutrition Program for Women, Infants, and Children (WIC), the Earned Income Tax Credit (EITC), Supplemental Security Income (SSI), and the Low Income Housing Tax Credit (LIHTC).
    - » A household may request an income review any time their income or deductions are estimated to decrease by 10%.
      - A PHA has the discretion to set a lower percentage threshold.
      - Rent decreases are to be effective on the first day of the month after the date of the actual change in come – meaning the rent reduction is to be applied retroactively.
    - » A PHA must review a household's income any time that income with deductions is estimated to increase by 10%, except any increase in earned income cannot be considered until the next annual income recertification.
- **Income Deductions and Exclusions:**
  - The Earned Income Disregard (EID) was eliminated; it disregarded certain increases in earned income for residents who had been unemployed or were receiving welfare.
  - The deduction for elderly and disabled households increased from $400 to $525 with annual adjustments for inflation. (Became effective on January 1, 2024.)
  - The deduction for elderly and disabled households for medical care (as well as for attendant care and auxiliary aid expenses for disabled members of the household) used to be for such expenses that exceeded 3% of income. HOTMA limits the deduction for such expenses to those that exceed 10% of income.
  - The dependent deduction remains at $480 but will be indexed to inflation; it applies to each member of a household who is less

than 18 years of age and attending school, or who is a person 18 years of age or older with a disability. (Became effective on January 1, 2024.)
  - The deduction of anticipated expenses for the care of children under age 12 needed for employment or education is unchanged.
  - Any expenses related to aiding and attending to veterans are excluded from income.
  - Any income of a full-time student who is a dependent is excluded from income, as are any scholarship funds used for tuition and books.
  - If a household is not able to pay rent, a PHA has the discretion to establish policies for determining a household's eligibility for general hardship relief for the health and medical care expense deduction and for the child-care expense hardship exemption.
- **Asset Limits:**
  - To be eligible for voucher assistance, a household must not own real property that is suitable for occupancy as its residence or have assets greater than $100,000 (adjusted for inflation each year). However, PHAs have the discretion to not enforce these asset limits.
    - » There are many things that do not count as "assets" and instead are considered "necessary personal property" such as a car needed for everyday use, furniture, appliances, personal computer, etc.
    - » So-called "non-necessary personal items that have a combined value less than $50,000 are excluded from the calculating household assets.
    - » Also exempt are retirement savings accounts.
    - » A household may self-certify that it has assets less than $50,000 (adjusted for inflation each year).
- **Physical Inspections:**
  - For ***Initial Inspections***, HOTMA provides PHAs with two options:
    - » HOTMA allows a household to move into a unit and a PHA to begin making housing assistance payments to an owner if the unit does not meet Housing Quality Standards (HQS), as long as the deficiencies are not life-threatening.
      - If an initial inspection identifies non-life-threatening (NLT) deficiencies, a PHA must provide a list of the deficiencies to a household and offer the household an opportunity to decline a lease without jeopardizing their voucher.
      - A PHA must withhold payments to an owner if a unit does not meet HQS standards 30 days of PIH notifying the owner. (A PHA has the discretion to withhold payments even during the 30-day period.) A PHA may use any withheld payments to make assistance payments once the deficiencies are corrected.
      - After the 30-day period has passed, a PHA may withhold payments up to 180 days. Once a unit is incompliance a PHA may use withheld payments to make cover the time payments were withheld.
      - A PHA must also notify a household that if an owner fails to correct NLT deficiencies within a time period specified by a PHA, the PHA will terminate the Housing Assistance Payment (HAP) contract and the household will have to move to another unit with voucher assistance.
      - If a household declines a unit, a PHA must inform the household of the amount of search time they have remaining to find another unit. In addition, a PHA must

“suspend” (stop the clock) of an initial or any “extended term” of a voucher (to search for another unit) from the date the household submitted a request for PHA approval of tenancy until the date the PHA notifies the household in writing whether the request has been approved or denied.

    » Alternatively, a PHA may allow a household to move into a unit before the PHA conducts its own HQS inspection, as long as the unit passed a comparable, alternative inspection within the previous 24 months. Implementing guidance published in 2017 still requires a PHA to conduct its own inspection within 15 days.

  – For ***Ongoing HQS Inspections:***

    » HQS deficiencies that are life-threatening must be fixed within 24 hours and HQS conditions that are not life-threatening must be fixed within 30 days.

    » A PHA may withhold payments during the 24-hour or 30-day period of non-compliance. A PHA may use any withheld payments to make assistance payments once the deficiencies are corrected.

    » If an owner fails to make the non-life-threatening corrections after 30 days (or life-threatening violations within 24 hours), a PHA must abate assistance, notify the household and owner of the abatement, and inform the household that they must move if the unit is not brought into HQS compliance within 60 days after the end of the first 30-day period (or a reasonable period determined by the PHA). The owner cannot terminate the household’s tenancy during the abatement, but the household may terminate its tenancy if they choose.

    » If the owner does not correct the HQS deficiencies within those 60 days (or a reasonable period determined by the PHA) the PHA must terminate the HAP contract with the owner.

    » The household must have at least 90 days to find another unit to rent (a PHA may extend the search period).

    » If the household cannot find another unit, then the PHA must give the household the option of moving into a public housing unit.

    » The PHA may provide relocation assistance to the household, including reimbursement for reasonable moving expenses and security deposits, using up to two months of any rental assistance amounts withheld or abated.

- **Payment Standard for Reasonable Accommodation**:

  – PHAs may establish an exception payment standard of up to 120% of the FMR as a reasonable accommodation for a person with a disability, without having to get HUD approval.

  – PHAs may seek HUD approval for an exception payment standard greater than 120% of FMR as a reasonable accommodation.

- **Hold Harmless Provision**:

  – PHAs have the option to hold voucher households harmless from rent increases when FMRs decline. PHAs can do this by continuing to use the payment standard based on the FMR prior to the new, higher FMR.

- **Project Based Vouchers**:

  – PHAs may choose to project base up to 20% of their authorized HCVs (removing the previous PBV cap of 20% of a PHA’s HCV dollar allocation).

  – PHAs may project base an additional 10% of their authorized HCVs to provide units for people who are experiencing homelessness, disabled, elderly, or veterans, as well as to provide units in

areas where vouchers are difficult to use (census tracts with a poverty rate less than 20%).
  - A project may not have more than 25% of its units or 25 units, whichever is greater, assisted with PBVs. Prior to HOTMA, the PBV cap was 25% of units. The 25%/25 unit cap does not apply to units exclusively for elderly households or households eligible for supportive services. Prior to HOTMA, the exceptions to the 25% cap applied to households comprised of elderly or disabled people and households receiving supportive services. For projects where vouchers are difficult to use (census tracts with poverty rates less than 20%), the cap is raised to 40%.
  - The maximum term of initial PBV contracts and subsequent extensions increased from 15 years to 20 years. A PHA may agree to extend a HAP contract for an additional 20 years, but only for a maximum of 40 years according to implementation guidance. However, informally HUD staff have conveyed to NLIHC that the guidance is confusing; HUD staff agree that an owner could renew a HAP contract after 40 years.
  - If an owner does not renew a PBV contract, a household may choose to remain in the project with voucher assistance; however, the household must pay any amount by which the rent exceeds their PHA's payment standard.
- **Manufactured Homes**:
  - Vouchers may be used to make monthly payments to purchase a manufactured home, and to pay for property taxes and insurance, tenant-paid utilities, and rent charged for the land upon which the manufactured home sits, including management and maintenance charges.

CARBON MONOXIDE

"The Consolidated Appropriations Act of 2021" requires Carbon Monoxide (CO) alarms or detectors to be installed in each public housing unit, as well as other HUD-assisted properties, by December 27, 2022. HUD issued joint Notice PIH 2022-01/H 2022-01/OLHCHH 2022-01 clarifying that it will enforce this requirement. In the HCV and PBV programs, property owners or landlords are responsible for the cost of CO alarms or detectors. In addition, PHAs may use their HCV administration funds for landlord outreach and education about these requirements.

STREAMLINING RULE

A "streamlining rule" was published on March 8, 2016. Key HCV provisions included the following options for PHAs:

- PHAs have the option of conducting a streamlined income determination for any household member who has a fixed source of income (such as Supplemental Security Income, SSI). If that person or household member with a fixed income also has a non-fixed source of income, the non-fixed source of income is still subject to third-party verification. Upon admission to the voucher program, third-party verification of all income amounts will be required for all household members. A full income reexamination and redetermination must be performed every three years. In between those three years, a streamlined income determination must be conducted by applying a verified cost of living adjustment or current rate of interest to the previously verified or adjusted income amount.
- PHAs have the option of providing utility reimbursements on a quarterly basis to voucher households if amounts due are $45 or less. PHAs can continue to provide utility reimbursements monthly if they choose to do so. If a PHA opts to make payments on a quarterly basis, the PHA must establish a hardship policy for tenants if less frequent reimbursement will create a financial hardship.
- The rule implements the "FY14 Appropriations Act" provision authorizing PHAs to inspect voucher units every other year, rather than annually, and to use

inspections conducted by other programs such as the Low-Income Housing Tax Credit program.

FORECAST FOR 2024

THE NATIONAL STANDARDS FOR PHYSICAL INSPECTION OF REAL ESTATE (NSPIRE)

The National Standards for Physical Inspection of Real Estate (NSPIRE) is a protocol intended to align, consolidate, and improve the physical inspection regulations that apply to multiple HUD-assisted housing programs (24 CFR part 5). NSPIRE replaces the Uniform Physical Condition Standards (UPCS) developed in the 1990s and it absorbs much of the Housing Quality Standards (HQS) regulations developed in the 1970s. NSPIRE physical inspections focus on three areas: the housing units where HUD-assisted residents live, elements of their building's non-residential interiors, and the outside of buildings, ensuring that components of these three areas are "functionally adequate, operable, and free of health and safety hazards."

NSPIRE applies to all HUD housing previously inspected by HUD's Real Estate Assessment Center (REAC), including Public Housing and Multifamily Housing programs such as Section 8 Project-Based Rental Assistance (PBRA), Section 202 Supportive Housing for the Elderly, Section 811 Supportive Housing for Persons with Disabilities, and FHA Insured multifamily housing. NSPIRE also applies to HUD programs previously inspected using the Housing Quality Standards (HQS) regulations: the HCV program (including Project-Based Vouchers, PBVs) and the programs administered by the Office of Community Planning and Development (CPD) – HOME Investment Partnerships (HOME), national Housing Trust Fund (HTF), Housing Opportunities for Persons with AIDS (HOPWA), Emergency Solutions Grants (ESG), and Continuum of Care (CoC) homelessness assistance programs.

HUD published a final rule implementing the National Standards for Physical Inspection of Real Estate (NSPIRE) in the Federal Register on May 11, 2023. The new inspection protocol started on July 1, 2023 for public housing and on October 1, 2023 for the various programs of HUD's Office of Multifamily Housing Programs, such as PBRA, Section 202 and Section 811. The Housing Choice Voucher (HCV) and Project-Based Voucher programs, as well as the CPD programs, will not need to implement NSPIRE until October 1, 2024.

HUD has published three "Subordinate Notices" that supplement the final rule addressing NSPIRE "standards," "scoring," and "administration." The Scoring Notice does not apply to the HCV and PBV programs; NSPIRE retains the pass/fail indicator for them. The intent of issuing the subordinate notices instead of incorporating their content in regulation is to enable HUD to more readily provide updates as appropriate.

For more information about NSPIRE, see the *National Standards for Physical Inspection of Real Estate (NSPIRE)* article in this *Advocates' Guide*.

FUNDING

For FY24, the Administration requested $27.84 billion to renew existing Housing Choice Voucher (HCV) contracts. For PHA administration costs, the Administration requested $3.202 billion, compared to the FY23 appropriated amount of $2.778 billion. The Administration requested $565 million for incremental vouchers, compared to only $50 million appropriated by Congress for FY23. As *Advocates' Guide* went to press, Congress had not passed an FY24 appropriations act; a short-term Continuing Resolution (CR) keeps HCV funding at the FY23 levels until further congressional action.

Congress appropriated $26.401 billion for FY23 to renew existing Housing Choice Voucher (HCV) contracts, an increase above the FY22 final appropriation of $24.1 billion. For PHA administration costs, Congress appropriated $2.778 billion, compared to the FY22 appropriated amount of $2.4 billion. Congress only appropriated $50 million in FY23 for incremental vouchers, the amount provided for in the Senate's bill; the president proposed $1.55 billion for an estimated 200,000 new incremental vouchers, while the House proposed $1.1 billion.

ADMINISTRATION'S FY24 PROPOSALS

The Administration's budget proposal sought appropriations act language changes that would:

- Create a demonstration allowing PHAs to use a limited amount of voucher Housing Assistance Payments funding to help a new voucher household cover security deposits, utility deposits, and the last month's rent.
- Allow HUD to reallocate voucher reserves from a PHA that has excess reserves and low demand for HCVs to another PHA that has the need and capacity to lease up additional vouchers.

The Administration also proposed changes to the HCV statute that would:

- Allow HUD to have a timeframe less than 30 days for a property owner to address serious housing quality issues that do not meet the definition of "life-threatening deficiency."
- Allow PHAs to conduct pre-qualifying inspections for units not actively linked to a specific HCV household.
- Allow PHAs to recertify household incomes every three years, instead of annually or biannually.
- Allow PHAs in limited circumstances to use administrative fees or special fees for landlord incentive payments, security deposits, holding fees, utility deposits and arrears, and renter insurance. (Recent appropriations acts have allowed this, but HUD seeks to amend the statute to make this flexibility permanent.)

As *Advocates' Guide* went to press, Congress had not acted upon any of these proposals.

WHAT TO SAY TO LEGISLATORS

Advocates should encourage members of the House and Senate to fully fund the renewal of all vouchers.

FOR MORE INFORMATION

NLIHC, 202-662-1530, www.nlihc.org.

National Housing Law Project, 415-546-7000, http://nhlp.org/resourcecenter?tid=121.

Center on Budget and Policy Priorities, 202-408-1080, https://www.cbpp.org/topics/housing.

Technical Assistance Collaborative, Section 8 Made Simple, http://bit.ly/2hWKzYa.

HUD's Housing Choice Voucher homepage, https://www.hud.gov/program_offices/public_indian_housing/programs/hcv.

HUD's HCV Guidebook webpage, https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/guidebook.

HUD's VASH webpage, https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/vash.

HUD's Non-Elderly Disabled webpage, https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/ned.

HUD's Mainstream Voucher webpage, https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/mainstream.

HUD's Family Unification Program (FUP) webpage, https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/family.

HUD's Foster Youth to Independence Initiative (FYI) webpage, https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/fyi.

HUD's HOTMA Resources webpage, https://www.hud.gov/program_offices/public_indian_housing/hotmaresources.

HUD's NSPIRE webpage, https://www.hud.gov/program_offices/public_indian_housing/reac/nspire.

The Administration's FY24 proposal for Tenant-Based Rental Assistance, https://www.hud.gov/sites/dfiles/CFO/documents/2024_CJ_Program_Template_-_TBRA.pdf.