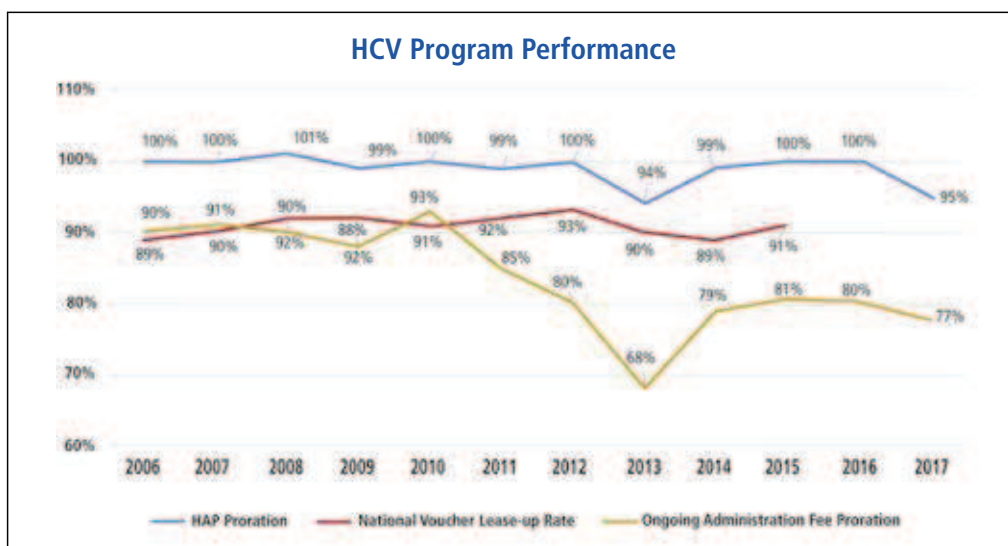


Section 8

HUD's Section 8 programs help to form the backbone of HUD's housing assistance programs. They are an essential component in providing low-income American families with access to affordable housing. The Housing Choice Voucher (HCV) Program is the largest program in the Section 8 family of programs and provides rental assistance to nearly 2.2 million low-income families to rent privately-owned units in the location of their choosing. In addition to the large number of people served, the HCV Program also serves a wide variety of program participants, including families, seniors, persons with disabilities, households displaced by disasters, homeless veterans, and children aging out of the foster care system.

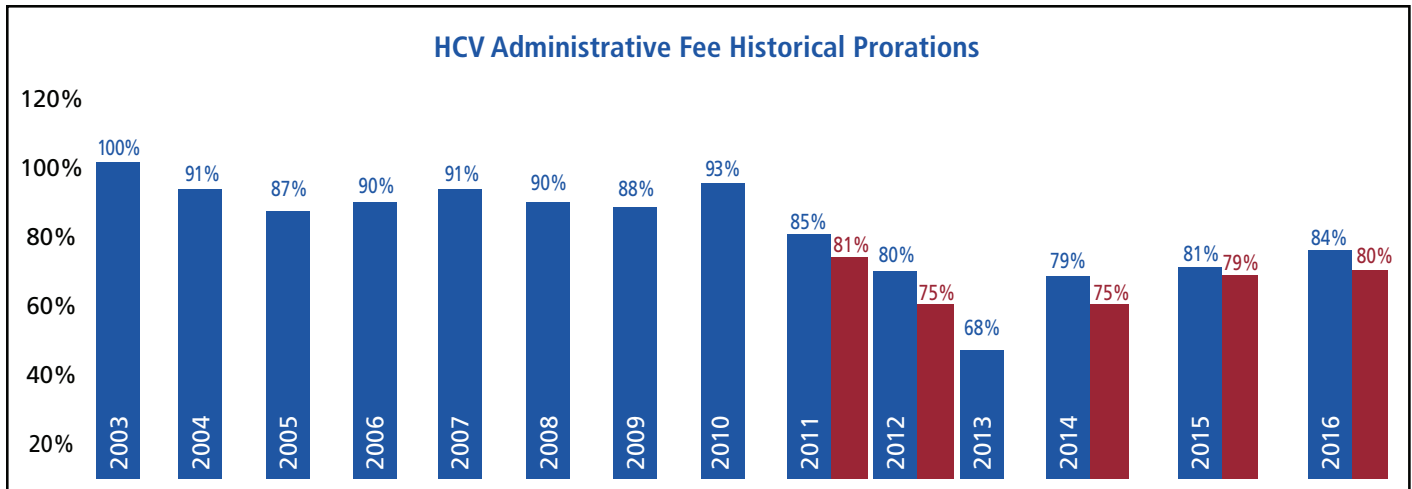
Funding for the HCV Program is appropriated through two accounts. In addition to the pass-through grants that PHAs send to landlords on behalf of program participants (known as Housing Assistance Payments, or HAP), Congress also funds an account for administrative fees to support the operations of the program. Essentially, HUD reimburses PHAs for the costs of administering the program for each family under lease. While Congress has provided adequate funding for the vouchers themselves in the recent past (in FY 2016, Congress fully funded this HAP account), the current Continuing Resolution until April 2017 does not allocate enough to ensure uninterrupted support to vulnerable families that are currently relying on vouchers. Additionally, the administrative fee funding to reimburse PHAs for the costs they have incurred has fallen to dangerously inadequate levels.



It is critical that Congress pass an appropriations bill both for FY 2017 and FY 2018 that fully funds the HCV HAP account. Passing a full year Continuing Resolution will dramatically underfund the HCV HAP account, resulting in a loss of vouchers for many vulnerable families. This account funds the actual voucher (the pass-through grant that landlords receive on behalf of voucher program participants).

The HCV Program administrative fee account also needs additional funding. Empirical evidence shows that the administrative fee is funded at a much too low a level. In the summer of 2015, HUD published the *Housing Choice Voucher Program Administrative Fee Study*. The study measured the costs of running an efficient HCV Program and then proposed a new administrative fee formula. NAHRO believes that there are flaws in the study that led to a formula that undervalues the true cost of running a HCV Program. That said, even this study found that Congress underfunded the administrative fee and that 92 percent of PHAs were underfunded during the study period of July 1, 2013 through June 30, 2014.

If a flawed formula from a study that did not consider all potential costs found that the overwhelming majority of PHAs were underfunded, then clearly the current levels of administrative fee funding are not acceptable. These low levels of funding have forced PHAs to lay off staff, enact hiring freezes, and impose furloughs, resulting in increased caseload sizes and straining PHAs' ability to remain in compliance with the HUD regulations. The administrative fee account must be fully funded, and any proposed change to the administrative fee formula should accurately capture all the costs associated with running a HCV Program.



Housing Choice Voucher Priorities

NAHRO seeks passage of both a FY 2017 and a FY 2018 budget with full funding for the HCV Program.

- A full year Continuing Resolution for either FY 2017 or FY 2018 that fails to provide additional funding for the Housing Choice Voucher Program’s Housing Assistance Payment account will result in a loss of vouchers for vulnerable families. This crucial support for families to keep their homes must be maintained.
- If Congress is unable to pass an appropriations bill for FY 2017 or FY 2018, an anomaly must be included in the Continuing Resolution providing needed funding for the HCV Program.

NAHRO supports swift regulatory implementation of the provisions of the Housing Opportunity Through Modernization Act of 2016. This bill passed unanimously through both the U.S. House of Representatives and the U.S. Senate and includes several regulatory streamlining provisions and flexibilities that allow PHAs to better administer their HCV Programs.

NAHRO will insist upon the restoration of a responsible level of administrative fee funding for voucher programs.

- Consecutive years of inadequate funding have forced PHAs to reduce staff, deeply eroding capacity to administer the program.
- NAHRO will work to make sure that Congress understands how any potential changes to the administrative fee formula by HUD will impact our membership before Congress gives HUD the authority to unilaterally change the administrative fee formula.

NAHRO believes that any movement to form a single-contract consortia, or form partial consortia among PHAs and involving the HCV Program should be completely voluntary.

- While NAHRO conditionally supports giving PHAs the ability to form partial consortia or single-contract consortia, NAHRO also strongly believes that the ability to form these structures must be completely voluntary. NAHRO strongly believes in local control. PHAs are best-positioned to decide whether these structures will work for their communities.
- Additionally, there must be a mechanism for PHAs to exit from a consortia, if the PHA finds that the consortia is not serving the PHA’s community adequately.

Section 8 Project-Based Rental Assistance Priorities

- NAHRO will continue to advocate a responsible level of funding for the renewal of Section 8 multi-family project-based rental assistance (PBRA).