**Reform & Strengthen the SECTION 8 Programs**

**HUD’S SECTION 8 PROGRAMS** help to form the backbone of HUD’s housing assistance programs. They are an essential component in helping to provide low-income American families with access to affordable housing. The Housing Choice Voucher (HCV) program, the largest program in the Section 8 family of programs, 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. Both the size of the program and the diverse populations that the program serves make it critical that Congress highly prioritize the HCV program when making funding decisions.

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), 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 recent years (in FY 2016, Congress fully funded this Housing Assistance Payments Account), the administrative fee funding to reimburse PHAs for the costs they have incurred has fallen to dangerously inadequate levels.

### Administrative Fee

Empirical evidence shows that the administrative fee is funded at 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 proposed a new administrative fee formula. NAHRO believes that flaws in the study 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 (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 myriad HUD regulations. These low funding levels also have consequences for the low-income families the voucher program serves, including a reduction in the level of services provided to participants. That is why NAHRO supports the $2.122 billion administrative funding fee level. Before implementing any changes in the administrative fee formula, however, NAHRO believes that any proposed formula should accurately capture all the costs associated with running a HCV program.
NAHRO’s Housing Choice Voucher Priorities

- NAHRO will seek to restore the vouchers lost due to sequestration.
  - As a result of deep cuts to Housing Assistance Payments (HAP) in 2013, approximately 62,000 fewer families are currently being served by the program. NAHRO will continue to seek the restoration of those vouchers to the communities from which they were lost.

- NAHRO will support provisions in H.R. 3700, the Housing Opportunities Through Modernization Act, that enable PHAs to project-base an additional 10 percent of their authorized vouchers if those vouchers support the elderly, the disabled, veterans, homeless individuals, or homeless families or units are in areas where vouchers are difficult to use.

- NAHRO will recommend that HUD employ a methodology that accurately captures current rental markets when calculating Fair Market Rents (FMRs).

- 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. In fact, a growing number of PHAs can no longer afford to administer the program at all. Since FY 2003 — the last year that PHAs received 100 percent of their administrative fee eligibility — many PHAs administering voucher programs have “handed back” their programs to HUD or transferred those programs to other PHAs.

- 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.

- If adequate administrative fee funding is not appropriated, NAHRO will advocate innovative approaches to allow PHAs to maximize the efficiency and efficacy of their available resources, including allowing PHAs to utilize a portion of their HAP reserves to cover unmet administrative expenses related to leasing and retaining leased households.

- NAHRO will promote measures to streamline the operating environment in which PHAs operate.
  - Until such time as adequate funding is restored, PHAs should not be held to an unattainable standard. Section Eight Management Assessment Program (SEMAP) scores should be made advisory to reflect the imbalance between resources and requirements.

- NAHRO will support provisions in H.R. 3700 and the President’s FY 2017 budget proposal that would simplify the cap calculation for Project-Based Vouchers by moving away from calculating caps based on the budget authority to a unit-based calculation.

- NAHRO will work to improve voucher programs targeted to special populations, including veterans, ensuring the financial sustainability of their operations and the ongoing ability of PHAs to effectively steward these resources.
  - NAHRO will work to expand the eligibility pool for Family Unification Program (FUP) vouchers by supporting separate provisions in both H.R. 3700 and the President’s FY 2017 budget proposal that do this.

Section 8 Project-Based Rental Assistance Priorities

- NAHRO will continue to advocate for a responsible level of funding for the renewal of Section 8 multi-family project-based rental assistance (PBRA) contracts like the amount proposed in the President’s FY 2017 budget proposal.