

February 22, 2021

To: Peggy Bailey, Senior Advisor to the HUD Secretary
Joe Carlile, Senior Advisor to the HUD Secretary
Erica Poethig, Domestic Policy Council

Cc: Danielle Bastarache, HUD PIH

From: Philip Tegeler, PRRAC
Deborah Thrope, National Housing Law Project
Diane Yentel, National Low Income Housing Coalition

We are writing to flag several specific items relating to Housing Choice Voucher program reform that also have implications for the President's budget request, and we hope that you will consider these items as you develop HUD's budget proposal.

First, we want to reiterate our strong support for significant expansion of the HCV program, both in the 2022 budget and in the proposed infrastructure bill. Ultimately, as we and others have advocated, the voucher program should become a mandatory entitlement. We also support a substantial allocation of "mobility vouchers" for families with young children, along with set asides for homeless families and other populations, as part of the phase-in of a Housing Choice Voucher expansion.

Our specific budget-related requests include the following:

1. Additional funding for housing mobility services: As the high demand for the Housing Mobility Demonstration has made clear, there are many PHAs that would like to provide comprehensive housing mobility services for their families (including one on one counselling, landlord recruitment in high opportunity areas, and search assistance), but do not have the resources to do so. We would propose an expansion of \$20 million in the extraordinary administrative fees portion of the HCV budget with a provision that such funds may also be used for housing mobility services. This would be enough to provide startup funding for up to 30 PHAs in the first year.

2. Use of HAP funds for security deposits in low poverty neighborhoods: Our experience is that security deposits create a significant barrier for families seeking to move to lower poverty neighborhoods, and HUD is constrained by ambiguous statutory language from using rental assistance funds for this purpose. To fix this ambiguity, we suggest that HUD add a provision to the general voucher funding section of the budget as follows: "*Provided further*, that funds provided for tenant-based assistance may include payments for security deposits to help families access lower poverty areas."

3. Support for excess costs associated with Small Area FMR adoption: Increased HAP costs are a major impediment to PHAs with an interest in voluntary adoption of Small Area FMRs (or use of SAFMRs for exception payment standards), especially in high cost areas, or where PHAs have policies holding all existing tenants harmless from payment standard decreases. We would propose inclusion of this allowable use of funds either as

an additional category in the setaside for renewal funding for unforeseen circumstances, etc., or as a new setaside provision with a setaside of \$5-10M.

4. Funding to support empowerment of HCV tenants: Congress has allocated funds to support tenant organizations in both public housing and HUD multifamily housing for years, but there is currently no funding in HUD's budget for organizing and empowerment of Housing Choice Voucher tenants. These tenants need to have a voice in the administration of their programs – and HCV families can provide valuable feedback to PHAs and to HUD, if their contributions were valued and supported. We recommend an additional line item in the budget to support HCV tenant organizations, in the range of \$5-10M per year.

5. Non-budget related Congressional actions: Several of the HCV waivers provided by HUD pursuant to the CARES Act have become best practices, and we recommend that these be formally extended as part of the 2022 appropriations act – including streamlining the income recertification process for all programs by requiring housing providers to affirmatively inform all tenants of their right to an interim recertification, allowing for self-certification of income and electronic submission, and retroactive application of recertifications to the tenants' loss of income.