



CHACE

Campaign for Housing and
Civic Engagement

ISSUE BRIEF HUD BUDGET

The Federal Role in Expanding Housing Opportunities

The Department of Housing and Urban Development is tasked with creating strong, sustainable, inclusive communities and quality affordable homes. This mission touches the lives of tens of thousands of Virginians each year.

In 2016, the **Housing Choice Voucher** program kept **46,348 Virginian families**¹ in affordable housing.

How It Works

Housing Choice Vouchers allow HUD to reimburse private landlords for the difference in what a family can afford in rent and the market rent of the home. Because the program allows renters to choose where they live, there is the opportunity for families to live in better job markets and better school districts than they might otherwise afford.

While vouchers provide choice, many families still are concentrated in lower income neighborhoods because counseling and services are needed.

Why Vouchers?

Housing Choice Vouchers aid in **preventing homelessness** in Virginia by providing **stable** housing options.²

Project-Based Rental Assistance (PBRA)

supports the preservation of affordable rental housing across Virginia. Affordable apartment communities built from the 1970s to the 1990s are supported with PBRAs and provide low-income Virginians with a source of **long-term affordable housing**.

How It Works

Project-Based Rental Assistance is a program in which HUD provides private owners long-term contracts for rental assistance. The owners can then use this commitment to support mortgages that maintain affordable rental housing options for families and seniors.

Why PBRA?

Project-Based Rental Assistance is **cost effective**. Preserving existing affordable housing **costs taxpayers 40%** less than building new housing.³

Public Housing has frequently served as the housing of last resort for very poor families and seniors but much of this stock no longer provides good quality housing.

How It Works; What We Need:

Public Housing provides 1.1 million units of affordable housing⁴ but much of it is aging and urgently needs replacement. We need Congress to increase the RAD cap to meet demand from PHAs; maintain the current funding level for the Capital Fund to make sure units can be maintained as they are rehabbed or replaced; ensure adequate funding for Tenant Protection Vouchers that preserve the deep rental subsidy; increase **funding for the Choice Neighborhood Initiative**.

Why Public Housing?

Public Housing provided affordable housing to **2.1 million residents** nationwide last year, **31% of whom are elderly and 20% disabled**⁵.

1 Center on Budget and Policy Priorities. (2016). Virginia Housing Choice Voucher Fact Sheet.

2 National Alliance to End Homelessness. (2016). Section 8 Housing Choice Vouchers and Homelessness.

3. National Housing Trust. (2017). What is Preservation?

4. National Low Income Housing Coalition. (2018). Public Housing.

5. Center on Budget and Policy Priorities. (2017). Policy Basics: Public Housing.

HOME Investment Partnership Program offers **financial assistance** to Virginians for affordable homeownership and rental housing. It can be used to build new or to rehabilitate. In 2018 funding was restored to its **highest level** in seven years.

How It Works

HOME Investment Partnership Program is a federal block grant available to entitlement cities and counties in Virginia. The State receives funds for non-entitlement areas. Localities can choose to use the funding through a wide array of services that can target local needs.

Why HOME?

HOME Investment Partnership Program has supported nearly **1.5 million jobs** and generated **\$94.5 billion in local income** nationwide,⁷ as well as resulting in over **15,751 completed housing units** in Virginia since 1992.⁸

Community Development Block Grants help **strengthen communities** by providing funds to **improve housing** and **economic opportunities** for people with low incomes.

How It Works

Community Development Block Grants are distributed like the HOME program through entitlement communities and the state. The program funds affordable housing but is mainly targeted to other types of community improvements such as water and sewer, economic development and job creation. Households that benefit must have incomes below 80% of AMI.

Why CDBG?

Community Development Block Grants provided **Virginia with more than \$8.8 million** in funding for projects designed to improve health care access, water and sewer infrastructure, downtown revitalization, public safety, and housing rehabilitation.⁶

What Congress Can Do:

Fully Fund and Renew All Vouchers and provide \$15 million for a new Housing Choice Voucher Demonstration to encourage voucher participants to move to lower-poverty areas and expand access to opportunity areas.

Provide Sufficient Funding To Renew All Project-Based Section 8 Contracts for a full 12 months in FY19, and increase the cap for RAD to allow more rehab of public housing.

Maintain the Funding Increase in PH Capital Funds. Increase support for the CHOICE Neighborhood Initiative (CNI) that helps transform high poverty PH communities. **Ensure adequate funding for Tenant Protection Vouchers** so residents have housing security during PH transformation.

6. Shenandoah Valley Partnership. (2017). Governor McAuliffe Announces More Than \$8.8 Million in Community Development Block Grants.

7. Habitat for Humanity. (2016). Home Investment Partnership Programs (HOME).

8. HUD Exchange. (2017). Map Tool: HOME Funded Activity by 114th Congressional Districts.

... Stable homes build strong communities ...