

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Office of Public and Indian Housing

Tenant-Based Rental Assistance

SUMMARY OF RESOURCES

(Dollars in Thousands)

| | Enacted/ Requested | Carryover | Supplemental/ Rescission | Transfers | Total Resources | Obligations | Net Outlays |
|-------------------------|-----------------------|-------------|-----------------------------|-----------|--------------------|-------------|-------------|
| 2023 Appropriation | 30,253,112 | 4,730,121 | (14,839) | 50,363 | 35,018,757 | 30,725,710 | 29,559,000 |
| 2024 Annualized CR | 30,253,112 | 4,293,045 | - | 27,000 | 34,573,157 | 32,432,000 | 30,802,000 |
| 2025 President's Budget | 32,756,000 | 2,141,000 | - | 37,000 | 34,934,000 | 33,755,000 | 33,002,000 |
| Change from 2024 | 2,502,888 | (2,152,045) | - | 10,000 | 360,843 | 1,323,000 | 2,200,000 |

- a/ 2023 Appropriation includes \$2.7 billion of the TBRA appropriation designated as an emergency requirement pursuant to the Disaster Relief Supplemental Appropriations Act, 2023.
- b/ 2023 Carryover includes \$19.8 million in recaptured prior year unpaid obligations and \$3.5 billion in 2021 American Rescue Plan (ARP) mandatory unobligated balance brought forward. c/ 2023 Rescission includes \$1.2 million in CARES Act contract renewals and \$13.7 million in CARES Act administrative fees rescinded in accordance with the Fiscal Responsibility Act, 2023 (P.L. 118-5).
- d/ 2023 Transfers include \$48.5 million transferred from the Public Housing Fund and \$1.8 million transferred from the Housing for the Elderly account for the purpose of Rental Assistance Demonstration (RAD) conversions.
- e/ 2024 Annualized CR designates \$2.7 billion of the TBRA Contract Renewal appropriation as an emergency requirement pursuant to the Disaster Relief Supplemental Appropriations Act, 2023.
- f/ 2024 Carryover includes \$3.0 billion in 2021 American Rescue Plan (ARP) mandatory unobligated balance brought forward.
- g/ 2024 Transfers includes an estimated \$25 million transferred from the Public Housing Fund and \$2 million transferred from the Housing for the Elderly account for the purpose of Rental Assistance Demonstration (RAD) conversions.
- h/ 2025 Transfers include an estimated \$35 million transferred from the Public Housing Fund and \$2 million transferred from the Housing for the Elderly account for the purpose of Rental Assistance Demonstration (RAD) conversions.
- i/ 2025 President's Budget includes \$5.3 billion of the TBRA appropriation designated as an emergency requirement.

PROGRAM PURPOSE

The Housing Choice Voucher (HCV) program is authorized under Section 8(o) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)) and is administered locally by approximately 2,100 public housing agencies (PHAs) that currently serve approximately 2.3 million families. The HCV program, also known as Tenant-Based Rental Assistance (TBRA), seeks to provide greater access to housing choice and better housing opportunities for very low- and extremely low-income families; reduce the number of homeless individuals, families, youth, and veterans; support community-living for people with disabilities; and reverse the effects of residential segregation in the pursuit of racial equity.

BUDGET OVERVIEW

The 2025 President's Budget requests \$32.8 billion for TBRA, which is \$2.5 billion more than the 2024 Annualized CR level. The Budget supports the Administration's strategic goals to strengthen and broaden Federal housing assistance for people in need and advance housing equity by improving housing choices and access to economic opportunities. The 2025 Budget aligns with the Administration's efforts to build on our historic economic recovery and stabilize communities.

The HCV program is the Federal Government's largest program targeted to assist very low-income families, the elderly, and persons with disabilities in renting affordable, decent, safe, and sanitary housing. The program serves the most economically vulnerable families in the country, including families with disabilities, elderly families, formerly homeless veterans, and families with children, by providing Federal voucher assistance payments that help them meet their rental housing needs.

The 2025 Budget includes funding for the following activities:

- \$29.3 billion for Contract Renewals (HAP), which includes \$701 million for Mainstream Vouchers; this request is an increase of \$2.9 billion from the 2024 Annualized CR;
- \$3 billion in Administrative Fees, which is an increase of \$186 million from the 2024 Annualized CR;
- \$300 million for Tenant Protection Vouchers (TPV), which is a reduction of \$37 million from the 2024 Annualized CR; and
- \$241 million for Incremental Vouchers, which is an increase of \$191 million from the 2024 Annualized CR.

JUSTIFICATION

The HCV program is an essential component of the Federal housing safety net for people in need. Housing Choice Vouchers offer low- and extremely low-income families improved affordable housing options in the private market and access to greater economic opportunities. The option to project-base vouchers helps create and preserve deeply affordable units available to families in need. The Administration supports a strategy that recognizes the HCV program as an essential resource to reduce and prevent homelessness and promote racial equity.

The HCV program partners with local PHAs and landlords to provide housing to our Nation's neediest families. Of the families currently receiving HCV assistance:

- 78 percent are extremely low-income, earning below 30 percent of the area median income,
- 76 percent of program participants identify as people of color, including 53 percent that identify themselves as Black and non-Hispanic,
- 31 percent of households served have an elderly head of household,
- 24 percent have a non-elderly disabled head of household, and
- 34 percent of families served have female heads of household with children.

Without rental assistance, these families face a great risk of housing instability or even homelessness and must often forgo other life necessities, such as food, clothing, and medicine, because of high housing costs.

This program aligns with HUD 2022-2026 Strategic Objectives 2A: *Increase the Supply of Housing* and 2B: *Improve Rental Assistance*.

HUD's Worst Case Housing Needs: 2023 Report to Congress reveals that among very low-income renter households that lacked assistance, 8.53 million had worst case housing needs resulting from severe rent burden (paying more than one-half of their monthly income for rent) or living in severely inadequate housing units.¹ Many families assisted by the HCV program formerly experienced worst-case housing needs and, without the benefit of this program, would be at immediate risk of homelessness.

HCV assistance is primarily tenant-based assistance, which means the assistance is not permanently tied to a particular unit or project, but rather to an individual household. The household is responsible for finding a suitable unit in the private rental market. The PHA pays a monthly housing assistance payment directly to the owner on behalf of the family. That payment helps cover the affordability gap between what very low-income families can afford to pay for rent,

¹ Worst Case Housing Needs: 2023 Report to Congress - Executive Summary
<https://www.huduser.gov/portal/publications/Worst-Case-Housing-Needs-2023-Executive-Summary.html>

and the actual rent charged. The HCV program relies on private sector partnerships to provide affordable housing opportunities effectively and efficiently in the local community instead of depending on more costly direct government intervention to build additional affordable housing.

The HCV program has proven to be effective at meeting the housing needs of the most vulnerable citizens compared to other approaches. Several landmark studies conducted in the past 20 years attest to the effectiveness of housing vouchers to increase housing stability and reduce homelessness. For example, the 2006 report “Effects of Housing Vouchers on Welfare Families” found that receiving a housing voucher helped families move to neighborhoods with lower poverty rates, higher employment rates, and lower rates of public benefit receipt. Receiving a housing voucher also substantially decreased the likelihood that a household would experience homelessness and doubling up.

The *2016 Family Options Study: Short-term Impacts of Housing Services Interventions for Homeless Families*² report by HUD’s Office of Policy Development and Research presented evidence regarding the effects of giving families in emergency shelters priority access to housing choice vouchers, rapid re-housing, or project-based transitional housing. The study determined that the HCV program was the most effective intervention of the approaches tested. HCV intervention reduced most forms of residential instability by more than one half, reduced food insecurity, and improved multiple measures of adult and child well-being. (HUD is currently sponsoring a 12-year follow-up survey for the families who originally enrolled in the *Family Options Study* between 2010 and 2012).

Based on the assumptions provided for the 2025 Budget, the amounts in this Budget plus utilization of \$963 million from PHAs’ reserves will be sufficient to fully fund TBRA (including Mainstream Vouchers) Housing Assistance Payments (HAP) renewal costs at approximately 100 percent proration and will support housing assistance for approximately 2.5 million families. The Administrative Fee proration will be at approximately 93 percent for TBRA (including Mainstream Vouchers); administrative fees are critical for PHAs to secure continuity of operations and program compliance. The Budget does not request new funding for Non-Elderly Disabled, HUD-Veterans Affairs Supportive Housing (HUD-VASH) or for the Family Unification Program (FUP) as previously appropriated funds that remain available for carryover are sufficient to fund the anticipated need for new vouchers among veterans experiencing homelessness, family unification, and foster youth at-risk of or experiencing homelessness allocations.

Contract Renewals also includes approximately \$925 million to continue assistance for approximately 81,300 low-income veteran households under the VASH program and includes \$343 million in renewal funding to continue assistance to approximately 23,000 youth and families leased under FUP through calendar year-end 2023 and additional lease ups attained through calendar year-end 2024. In addition, the 2025 Budget includes \$701 million for Contract Renewals of Mainstream 811 vouchers to continue assistance for approximately 59,900 Non-Elderly Disabled vouchers estimated to be under lease at the end of calendar year 2023 and additional lease ups attained through calendar year 2024. Previously, this amount had been included in the Mainstream Voucher set-aside.

HUD continues to take steps to improve the operations of the voucher program, enhance systems, and streamline requirements to reduce the administrative burden for families, PHAs and owners. The continued implementation of the Economic Growth Act and the Housing Opportunities Through Modernization Act (HOTMA) will provide PHAs with new flexibilities that will enable them to reduce administrative burden and redirect those resources to improving

² Family Options Study. <https://www.huduser.gov/portal/sites/default/files/pdf/Family-Options-Study-Full-Report.pdf>

performance and services. Through the deployment of the Housing Information Portal (an upgrade to the Inventory Management System-Public Housing Information Center) and National Standards for the Physical Inspection of Real Estate (NSPIRE) inspection standards, HUD will modernize key systems and improve operation of the program. HUD is also creating the Enterprise Voucher Management System (eVMS), which will automate the workflow process for fund allocation management, calculate the HAP funding requirement for each PHA, and improve data stewardship. Improving these key business processes to create efficiencies will enable staff to focus on HCV policy and finance issues and the expanding portfolio which includes nearly 330,000 Project-Based Voucher (PBV) units under HAP contracts and nearly 260,000 Special Purpose Voucher (SPV) units.

The 2025 Budget supports the Administration's priority of increasing access to affordable housing and providing greater opportunities for economic independence to America's neediest families through the provision of vouchers. The 2025 Budget funding level will advance housing equity and broaden the Federal housing safety net for people in need including survivors of domestic violence and sexual assault, people experiencing homelessness, veterans, Native American veterans, and youth transitioning from foster care.

The 2025 requested funding levels and description for the major components of the HCV Program to achieve the above priorities are:

Contract Renewals - \$29.3 billion

The 2025 President's Budget provides \$29.3 billion for TBRA Renewals, which, in addition to utilization of \$963 million from PHAs' reserves, will fully support continued assistance for all families under lease at the end of 2024 at approximately 100 percent proration, including the renewal costs associated with approximately 27,763 Tenant Protection Vouchers (TPVs) awarded during 2024 and 59,900 Non-Elderly Disabled vouchers leased through the end of calendar year 2024. The 2025 TBRA renewal estimate is predicated on PHAs' HAP expenses reported in the Voucher Management System (VMS) throughout the calendar year.

The contract renewals request includes \$701 million for Mainstream Voucher contract renewals and administrative fees originally funded under the Housing for Persons with Disabilities (Section 811) program. The Section 811 Tenant-Based program provides tenant-based assistance for non-elderly persons with disabilities to access affordable, private housing of their choice. In previous Budgets, both new units and renewals of existing Mainstream vouchers have been funded out the set-aside for Mainstream vouchers. The 2025 President's Budget, to lessen administrative burden on both HUD and PHAs, shifts the renewal costs of Section 811 Mainstream vouchers into the contract renewal set-aside. Mainstream Section 811 vouchers will function like other special purpose vouchers, where the set-aside funds new vouchers, and after the voucher is issued, future renewal costs will be funded by contract renewals. The Budget will support approximately 60,000 Mainstream Vouchers and associated Administrative Fees.

The contract renewals request includes HAP set-asides for the following purposes:

- Up to \$200 million in HAP set-aside for HAP renewal adjustments. This funding prevents PHA HAP Shortfalls and addresses HAP Cost increases due to portability, unforeseen circumstances, and cost adjustments for HUD-Veterans Affairs Supportive Housing (HUD-VASH), Project-Based Vouchers (PBVs), other development activities for expansion Moving-to-Work (MTW) Public Housing Agencies (PHAs), additional leasing for PHAs with lower-than-average leasing, disasters, and withheld payments due to non-life-threatening Housing Quality Standards (HQS) inspections.
- Up to \$5 million for the renewal of grants awarded under the Tribal HUD-VASH program, which serves Native American Veterans who are homeless or at risk of homelessness and living in and around designated Tribal areas. Funding at the requested level would be

enough and necessary to fund 2025 renewals that will allow all the Veterans and families enrolled in the program to receive housing assistance.

- Up to \$50 million in the contract renewal account is set aside under (as well as \$50 million in the RAD conversion subsidy in the PBRA account), to further long-term financial stability and promote the energy or water efficiency, climate resilience, or preservation of 30,000 public housing homes that are unable to convert using only the funds provided through existing appropriations.

Administrative Fees - \$3 billion

Administrative fees are a vital component of the HCV program, providing PHAs with the resources necessary to administer the requested rental assistance for over 2.3 million families. These fees enable PHAs to perform fundamental program responsibilities, such as admitting households, conducting NSPIRE inspections, completing tenant income certifications, and paying salaries and overhead costs incurred in managing the HCV program (including Mainstream Vouchers). This funding level includes up to \$30 million in Administrative Fee set-aside for special fees, such as, but not limited to, Homeownership closing special fees, Special Purpose Voucher special fees, incentive fees for new Housing Choice Voucher allocations, and the net amount will fund the account at approximately 93 percent proration.

Tenant Protection Vouchers - \$300 million

Tenant Protection Vouchers (TPVs) are provided to families impacted by housing conversion actions beyond their control. The request, combined with 2024 carryover funds and cost saving measures, is sufficient to meet the estimated need of over 30,000 vouchers. The TPV need includes housing demolition and/or disposition (including TPVs for RAD Blend developments), Voluntary Conversions, Choice Neighborhoods developments, and HUD multifamily housing conversions triggered by events, including when private owners of multifamily developments choose to leave the project-based rental assistance program or prepay their multifamily mortgages and Moderate Rehabilitation replacements. The Budget also allows that up to \$20 million of the TPV request may be used to fund approximately 1,800 TPVs to protect tenants due to maturity, prepayment, or foreclosure of loans under USDA section 514 or section 515 mortgages.

Incremental Vouchers - \$241 million

HUD requests \$241 million to support approximately 20,000 incremental vouchers to expand affordable housing and provide greater access to areas of opportunity, particularly for those who are homeless or fleeing domestic violence, are survivors of domestic violence, dating violence, sexual assault, stalking, and human trafficking, to be allocated based on factors such as severe cost burden, overcrowding, substandard housing for very low-income renters, homelessness, and administrative capacity, in both rural and urban areas.

Equity

The 2025 Budget funding is in alignment with the Administration's goal of advancing equity and aggressively enforcing the civil rights of people in protected classes while expanding their access to accessible, integrated, and affordable housing.

Outcomes, Performance Indicators and Other Evidence

The demographics of the families participating in the HCV program demonstrate how essential this program is to serve those most in need. The HCV program serves approximately 2.3 million families; 76 percent of program participants are people of color. The average household size is 2.2 persons with an average household income of approximately \$17,111 (the Federal Poverty Level is \$19,720

for a two-person household in 2023). Extremely low-income families (families earning less than 30 percent of an area's median income) make up approximately 78 percent of households served. More than half of households are headed by seniors and people with disabilities (including 24 percent that are headed by non-elderly people with disabilities), and 34 percent include children. 25 percent of households earn wages as their primary source of income, and the average household contribution towards rent monthly (Total Tenant Payment) is \$437.

The 2023 Annual Homeless Assessment Report on the Point-in-Time (PIT) count of sheltered and unsheltered homeless persons found that the number of people experiencing homelessness nationwide increased again in 2023, continuing a pre-pandemic trend that was mitigated during the pandemic by the substantial investments in preventing and ending homelessness made under the President's American Rescue Plan Act.³ The total number of people experiencing homelessness on a single night in 2023 was 653,104, including 256,610 people experiencing unsheltered homelessness. The lack of available rental assistance, among many other factors beyond HUD's control, can be attributed to the increase in homelessness, thus, underscoring its importance to ensure everyone, regardless of background, can be stably housed.

The Worst-Case Housing Needs: 2023 Report to Congress examines trends in and causes of worst-case needs.⁴ This report finds that since 2019, worst case housing needs have increased across demographic groups, household types, and regions throughout the United States; meaning that these households are severely rent burdened, live in inadequate housing conditions, or both. The unmet need for decent, safe, and affordable rental housing continues to outpace income growth and the ability of Federal, State, and local governments to supply housing assistance and facilitate affordable housing production. As a result, the number of families with worst case housing needs in 2021 are at the highest level since the Great Recession of 2007–2009. Households with worse-case housing needs can be at elevated risks of experiencing homelessness.

The Emergency Housing Voucher (EHV) program, authorized under Section 3202 of the American Rescue Plan Act of 2021 (P.L. 117-2, hereafter referred to as "ARP"), appropriated \$5 billion for new incremental EHV's, the renewal of those EHV's, and fees for the cost of administering the EHV's and other eligible expenses defined by notice to prevent, prepare, and respond to coronavirus to facilitate the leasing of the emergency vouchers, such as security deposit assistance and other costs related to retention and support of participating owners. Through EHV, HUD provided 70,000 EHV's to local PHAs to assist individuals and families who are homeless, at-risk of homelessness, fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking, or were recently homeless or have a high risk of housing instability. Further, Section 3202(b)(6) of the ARP provides that after September 30, 2023, a public housing agency may not reissue any EHV vouchers made available when assistance for the family assisted ends.

The EHV program supports the Administration's strategic goals to strengthen and broaden Federal housing assistance for vulnerable individuals and advance housing equity by improving housing choices and access to economic opportunity. The EHV program has had great success with leasing. Of the 70,000 EHV's allocated to PHAs, the program has cumulatively served 71,000 families, with current utilization at 91 percent and approximately 63,000 families under lease as of February 2024). Due to the ARP prohibition, after September 30, 2023, the EHV program began winding down by prohibiting reissuing vouchers upon turnover. HUD estimates that there will be approximately 61,000 vouchers still under lease at the start of 2025 and projects that approximately 53,000 will be

³ The 2023 Annual Homelessness Assessment Report (AHAR to Congress) Part 1: Point-In-Time Estimates of Homelessness, December 2023 (huduser.gov) <https://www.huduser.gov/portal/sites/default/files/pdf/2023-AHAR-Part-1.pdf>

⁴ Worst Case Housing Needs: 2023 Report to Congress <https://www.huduser.gov/portal/publications/Worst-Case-Housing-Needs-2023-Executive-Summary.html>

under lease at the start of 2027. HUD projects that EHV assistance for families will be insufficient to fund all families starting in 2027.

Stakeholders

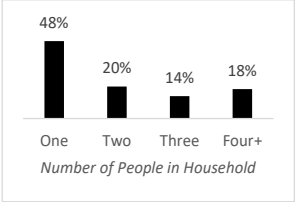
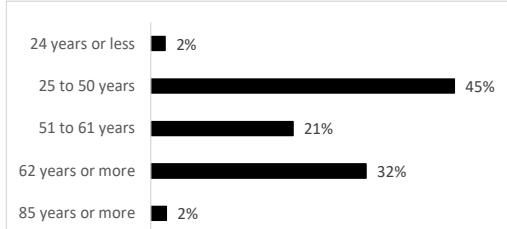
The HCV program will continue to rely on private-sector partnerships to provide affordable housing opportunities effectively and efficiently to residents in their local community. Specifically, HUD works with numerous stakeholders in providing HCV assistance to families, which, in addition to PHAs and private landlords, include:

- Other Federal Agencies, such as the Department of Veterans Affairs;
- State and local entities, such as Public Child Welfare Agencies;
- Housing Industry Associations;
- Homelessness service providers;
- Disability services providers;
- Resident Groups; and
- Tribally Designated Housing Entities (TDHEs) and Tribal governments.

Operational Improvements

HUD continues to take steps to improve the operations of the voucher program, enhance systems, streamline requirements to reduce the administrative burden on PHAs and sustain its collaborative relationships with key program stakeholders. The continued implementation of HOTMA will provide PHAs with new flexibility that will enable them to reduce administrative burdens and redirect those resources to improve performance and services. HUD will assist PHAs in the implementation of major initiatives like HOTMA and Small Area Fair Market Rent implementation with dedicated technical assistance, new systems such as the Housing Information Portal, webinars, FAQs, and other helpful guidance.

Through the deployment of the Housing Information Portal (HIP) and the implementation of the National Standards for the Physical Inspection of Real Estate for Vouchers (NSPIRE-V) inspection standards, HUD will modernize key systems and improve the operation of the program. HUD is also deploying the Enterprise Voucher Management System (eVMS), which will automate the workflow process for fund allocation management, calculate the HAP funding requirement for each PHA and improve data stewardship. Improving these key business processes will enable staff to focus on HCV policy and finance issues and the expanding portfolio, which includes over 330,000 PBV units and 260,000 SPV units.

| Q3 2023 Housing Choice Voucher Tenant Characteristics | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--|---|--------------------------------------|----------------------------|--------------------------------------|----------------------------|-------|-----|-------|-----|--|---|------------|------------------|----|----------------|-----|----------------|-----|------------------|-----|------------------|----|---|
| <p>How many households and people are served?</p> <p>5.0 million people</p> <p>2.3 million households</p> | <p>What are the racial and ethnic characteristics of the tenants?</p> <p>76% of residents are in a racial or ethnic minority group.</p> <table border="1"> <thead> <tr> <th><i>Asian/Pacific Islander, non-Hispanic</i></th> <th><i>Black, non-Hispanic</i></th> <th><i>Hispanic</i></th> <th><i>Native American, non-Hispanic</i></th> <th><i>White, non-Hispanic</i></th> </tr> </thead> <tbody> <tr> <td>3%</td> <td>53%</td> <td>19%</td> <td>1%</td> <td>24%</td> </tr> </tbody> </table> | <i>Asian/Pacific Islander, non-Hispanic</i> | <i>Black, non-Hispanic</i> | <i>Hispanic</i> | <i>Native American, non-Hispanic</i> | <i>White, non-Hispanic</i> | 3% | 53% | 19% | 1% | 24% | <p>What are the characteristics of the heads of household?</p> <p>Female headed families with children 34%</p> <p>Elderly 32%</p> <p>Non-elderly disabled 24%</p> | | | | | | | | | | | | |
| <i>Asian/Pacific Islander, non-Hispanic</i> | <i>Black, non-Hispanic</i> | <i>Hispanic</i> | <i>Native American, non-Hispanic</i> | <i>White, non-Hispanic</i> | | | | | | | | | | | | | | | | | | | | |
| 3% | 53% | 19% | 1% | 24% | | | | | | | | | | | | | | | | | | | | |
| <p>How big are the households?</p>  <table border="1"> <thead> <tr> <th>Number of People in Household</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>One</td> <td>48%</td> </tr> <tr> <td>Two</td> <td>20%</td> </tr> <tr> <td>Three</td> <td>14%</td> </tr> <tr> <td>Four+</td> <td>18%</td> </tr> </tbody> </table> | Number of People in Household | Percentage | One | 48% | Two | 20% | Three | 14% | Four+ | 18% | <p>How old are the heads of household?</p>  <table border="1"> <thead> <tr> <th>Age Group</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>24 years or less</td> <td>2%</td> </tr> <tr> <td>25 to 50 years</td> <td>45%</td> </tr> <tr> <td>51 to 61 years</td> <td>21%</td> </tr> <tr> <td>62 years or more</td> <td>32%</td> </tr> <tr> <td>85 years or more</td> <td>2%</td> </tr> </tbody> </table> | Age Group | Percentage | 24 years or less | 2% | 25 to 50 years | 45% | 51 to 61 years | 21% | 62 years or more | 32% | 85 years or more | 2% | <p>What is the share of rent paid by the tenant and HUD?</p> <p>Average household contribution: \$437</p> <p>Average HUD Contribution: \$919</p> |
| Number of People in Household | Percentage | | | | | | | | | | | | | | | | | | | | | | | |
| One | 48% | | | | | | | | | | | | | | | | | | | | | | | |
| Two | 20% | | | | | | | | | | | | | | | | | | | | | | | |
| Three | 14% | | | | | | | | | | | | | | | | | | | | | | | |
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| Age Group | Percentage | | | | | | | | | | | | | | | | | | | | | | | |
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| 62 years or more | 32% | | | | | | | | | | | | | | | | | | | | | | | |
| 85 years or more | 2% | | | | | | | | | | | | | | | | | | | | | | | |
| <p>What are the income levels of assisted households?</p> <p>Tenants make an average gross income of \$17,111.</p> <p>71% of households earn \$20,000 or less per year</p> | <p>How do household incomes compare to the local area median income?</p> <p>Extremely low income (less than 30% AMI) 78%</p> <p>Very low income (30% to 50% AMI) 18%</p> <p>Low Income (50% to 80% AMI) 4%</p> | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Note: Some percentage totals not equal to 100 due to rounding. Missing values are excluded from reported percentages. Source: Households reported to HUD's PIC system (via Form-50058) as of 6/30/2023 with effective dates spanning the prior 18 months.</p> | | | | | | | | | | | | | | | | | | | | | | | | |

Information Technology

Enterprise Voucher Management System (eVMS): HUD continues to make progress towards modernizing its Information Technology (IT) systems to improve the administration of TBRA programs. In coordination with the Office of the Chief Information Officer and as part of the approved 2021 and 2022 PIH IT Performance Plan, PIH is developing a new system, the Enterprise Voucher Management System (eVMS), which will automate the calculation of funding and disbursements for most TBRA programs and associated Administrative Fees using household level data, enabling PIH to tie voucher payments directly to household level need calculations. eVMS will also enable PIH to auto-reconcile housing assistance payment needs within two to three days for each PHA based on household-level changes (e.g., rent changes, move-ins, move-outs, portability) and consistent with case management requirements to calculate funding based on the established need. eVMS will also provide substantial insight into voucher utilization, which will enhance HUD's ability to promote leasing and will implement further financial controls required under the Payment Integrity and Information Act (PIIA) of 2019.

Housing Information Portal (HIP) Development and IMS/PIC Operational and Maintenance Support: Until all PHAs have fully transitioned to the Housing Information Portal (HIP), ongoing support of Information Management Systems/Public Housing Center (IMS/PIC) is crucial to the day-to-day operations of the Public Housing program and the accurate calculation of the Public Housing Fund formulas.

HUD intends to decommission the two decades old IMS/PIC legacy system and replace it with the newly developed Housing Information Portal. HIP will include new capabilities for implementing the Housing Opportunities Thru Modernization Act (HOTMA) for the TBRA and other PIH rental assistance programs, a new 50058 form for PHAs, as well as new forms for Moving-to-Work (MTW)

PHAs and MTW expansion PHAs. The new system will allow HUD to better manage inventory and family data, accurately calculate approximately \$33 billion in Tenant Based Rental Assistance (TBRA) subsidies, accurately calculate approximately \$9 billion in Public Housing Operating Fund and Capital Fund grants, implement capabilities to enable the PIH Office of Native American Programs (ONAP) to better administer and oversee the Tribal HUD-VA Supportive Housing (Tribal HUD-VASH) program, and improve PHAs income verification processes. The HIP implementation improves the rental assistance processes and the services provided to over 3 million families.

PIH Modernization Enterprise Income Verification System (EIV) (ongoing investment from prior year funding): HUD received funds to modernize the Enterprise Income Verification system in the 2023 Budget. EIV modernization is critical to two major HUD initiatives:

- 1) Achieving compliance with the Payment Integrity Information Act (PIIA) through reducing improper payments for HUD's Tenant Based Rental Assistance and Project Based Rental Assistance Programs; and
- 2) Improving the life experiences of residents of HUD housing by automating/streamlining these households and individuals' ability to obtain income verification documentation from the Social Security Administration (SSA) and other Federal agency partners. This will reduce the burden on these households and PHA staff that are responsible for verifying income and eligibility for HUD's rental assistance programs.

Through this modernization, HUD will be integrating EIV with the new Housing Information Portal (HIP) which is the replacement for PIH's Inventory Management System-Public Housing Information Center (IMS-PIC) and application programming interfaces (APIs) that will allow for building modern data exchanges with its Federal partners including SSA and the Office of Child Support Enforcement (OCSE) in the Department of Health and Human Services (HHS). This will allow for the real time, electronic sharing of income and certificate data provided by these entities, which will improve the ability of PHAs to validate income by reducing the temporal differences in income that occur today because data is only shared quarterly. This will also allow PHAs, and households served by HUD programs (or those applying for HUD programs) to access this data electronically without having to walk into a SSA office.

PIH Data Warehouse (ongoing investment from prior year funding): PIH began work on modernizing its Data Warehouse in early fiscal year 2024 using prior year IT modernization appropriations. The PIH Data Warehouse effort is critical to PIH's oversight and operation of over \$30 billion worth of rental housing assistance subsidies. All data required to be submitted to PIH is stored in its Data Warehouse which is nearly 20 years old, costly to maintain and difficult to update.

Today, all funding and oversight processes such as Capital Fund and Operating Fund calculations and all of PIH's data analytics, including dashboards for Public Housing and Voucher utilization) rely on this data. Modernizing the PIH Data Warehouse will allow PIH to better share information across systems. This will result in the development of more robust data analytics evaluating the risk and performance of all PIH rental housing assistance programs, including predictive identification of troubled or near troubled PHAs, properties, and programs. This modernization effort will also move the PIH Data Warehouse to a Federal Risk and Authorization Management Program (FedRAMP) secure cloud-based environment which is much less costly for storing data.

HUDCAPS Section 8 Disbursement Capability and Pilot (ongoing investment from prior year funding): PIH also began work on developing a capability to remove disbursements of Housing Assistance Payments (HAP) and Administrative Fees (Admin Fees) from the HUD Central Accounting and Program System (HUDCAPS)--an approximately 20-year-old mainframe programmatic and financial accounting system used to disburse and capture accounting transactions for TBRA programs. HUDCAPS is both very costly to maintain and very cumbersome to use for the disbursement and tracking of over \$30 billion in HAP and Admin Fees. Considering those payments to PHAs (transmitted on behalf of households to owners/landlords) are disbursed from HUDCAPS,

any performance issues would substantially disrupt the TBRA program and could have an adverse impact on owner/landlord recruitment and retention.

PIH is working with its partners in OCIO and the Office of Chief Financial Officer to demonstrate the ability to make TBRA disbursements to PHAs in a new, secure, cloud-based application other than HUDCAPS. This capability will also accurately capture accounting transactions and interface these transactions with HUD's General Ledger. This should help in future audit preparation and in the tracking of repayments. Additionally, this HUDCAPS capability will be integrated with eVMS, creating a full lifecycle for the calculation, disbursement and accounting of HUD's largest program, TBRA. Once this disbursement capability is developed for a pilot group of PHAs it will be scaled nationally to the full universe of PHAs participating in TBRA programs.

TENANT-BASED RENTAL ASSISTANCE (TBRA)

SUMMARY OF RESOURCES BY PROGRAM

(Dollars in Thousands)

| Budget Activity | 2023 Budget Authority | 2022 Carryover Into 2023 | 2023 Total Resources | 2023 Obligations | 2024 Annualized CR | 2023 Carryover Into 2024 | 2024 Total Resources | 2025 President's Budget |
|--|-----------------------|--------------------------|----------------------|-------------------|--------------------|--------------------------|----------------------|-------------------------|
| Contract Renewals | 26,402,000 | 548,653 | 26,950,653 | 26,437,093 | 26,402,000 | 506,060 | 26,908,060 | 29,251,000 |
| Contract Renewals (Emergency Funding) | [2,653,580] | - | [2,653,580] | [2,653,580] | [2,653,580] | - | [2,653,580] | [5,289,210] |
| Contract Renewals - (CARES Act) | - | 1,270 | - | - | - | - | - | - |
| Administrative Fees | 2,777,612 | 283,753 | 3,061,365 | 2,765,280 | 2,777,612 | 296,085 | 3,073,697 | 2,964,000 |
| Administrative Fees - (CARES Act) | - | 13,722 | 153 | - | - | 153 | 153 | - |
| Section 8 Rental Assistance (Tenant Protection Vouchers) | 337,000 | 9,109 | 346,109 | 140,514 | 337,000 | 205,594 | 542,594 | 300,000 |
| Veteran Affairs Supportive Housing (VASH) Program | 50,000 | 80,172 | 130,172 | 41,500 | 50,000 | 88,671 | 138,671 | - |
| Tribal HUD-VASH (CR set-aside) | [7,500] | 6,195 | 6,195 | 10,261 | [7,500] | 3,434 | 3,434 | [5,000] |
| Section 811 Mainstream Renewals | 606,500 | 134,962 | 741,462 | 716,993 | 606,500 | 24,469 | 630,969 | [701,000] |
| Mobility-Related Services | - | 25,000 | 25,000 | - | - | 25,000 | 25,000 | - |
| New Incremental Vouchers | 50,000 | 2,567 | 52,567 | 51,148 | 50,000 | 1,419 | 51,419 | 241,000 |
| Family Unification Program (FUP) Vouchers | 30,000 | 36,702 | 66,702 | 19,032 | 30,000 | 47,670 | 77,670 | - |
| FSS Coordinator | - | 26 | 26 | - | - | 26 | 26 | - |
| Mobility Demonstration | - | 5,031 | 5,031 | - | - | 5,031 | 5,031 | - |
| Homelessness and Domestic Violence | - | 43,439 | 43,439 | 43,274 | - | 165 | 165 | - |
| Emergency Housing Vouchers (ARP Act) | - | 3,311,074 | 3,311,074 | 430,281 | - | 2,880,793 | 2,880,793 | - |
| Administrative Fees (ARP Act) | - | 215,484 | 215,484 | 20,256 | - | 195,228 | 195,228 | - |
| Rental Assistance Demonstration (Public Housing) | - | 12,962 | 61,511 | 48,264 | - | 13,247 | 38,247 | [50,000] |
| Rental Assistance Demonstration (Section 202) | - | - | 1,814 | 1,814 | - | - | 2,000 | - |
| Total | 30,253,112 | 4,730,121 | 35,018,757 | 30,725,710 | 30,253,112 | 4,293,045 | 34,573,157 | 32,756,000 |

a/ 2023 Carryover includes \$19.8 million in recaptured prior year unpaid obligations and \$3.5 billion in 2021 American Rescue Plan (ARP) mandatory unobligated balance brought forward.

b/ 2023 Total Resources include: (1) Transfers of \$48.5 million transferred from the Public Housing Fund and \$1.8 million transferred from the Housing for the Elderly account for the purpose of Rental Assistance Demonstration (RAD) conversions. (2) Rescission of \$1.2 million in contract renewal (CARES Act) and \$13.7 million in administrative fee (CARES Act) funding in accordance with the Fiscal Responsibility Act, 2023 (P.L. 118-5).

c/ 2024 Carryover includes \$3.0 billion in 2021 American Rescue Plan (ARP) mandatory unobligated balance brought forward.

d/ 2024 Total Resources include transfers of \$25 million transferred from the Public Housing Fund and \$2 million transferred from the Housing for the Elderly account for the purpose of Rental Assistance Demonstration (RAD) conversions.

e/ 2025 Transfers include \$35 million transferred from the Public Housing Fund and \$2 million transferred from the Housing for the Elderly account for the purpose of Rental Assistance Demonstration (RAD) conversions.

LEGISLATIVE PROPOSALS AND GENERAL PROVISIONS

Appropriations Language Changes

The 2025 President's Budget includes the following new proposals:

- Alignment of Waivers and Alternative Requirements for Special Purpose Vouchers to Better Serve People: This proposal would create alignment of waivers and alternative requirements among Mainstream, NED, FUP (including Foster Youth Initiative or FYI).
- Consolidating Mainstream Vouchers into HCV Contract Renewals: Mainstream Vouchers are currently funded under a separate accounting line for new incrementals and renewals. This creates unnecessary PHA and HUD administrative burden. This proposal would seek to combine Mainstream renewal funding and administrative fees in the regular HCV program renewal paragraph and administrative fee paragraph, as applicable. By consolidating this effort, we are removing an administrative burden and aligning this better with other Special Purpose Vouchers (SPVs).
- Use of Offset Authority: HUD requests the authority to offset PHA renewal allocations based on PHA-held reserves, as has been provided in previous appropriations Acts. HUD will exercise this authority to prevent the termination of rental assistance for families as the result of insufficient funding, to increase the proration of renewal funding allocations, and to enable public housing agencies operating their existing housing choice vouchers programs with high utilization rates and a demonstrated capacity to serve additional families, as determined by the Secretary.
- Authority to repurpose carryover to avoid/reduce proration: Addition of proviso authorizing the Secretary to repurpose unobligated balances, including recaptures and carryover, remaining from prior year TPV appropriations to avoid or reduce the proration of renewal funding allocations.

The 2025 President's Budget includes the following continuing proposals:

- Deletion of MTW single-fund BA offset exclusion: Deletion of language excluding amounts subject to the single fund budget authority in MTW agreements with PHAs from the offset for 2025 allocations in the preceding proviso.
- Funding Reallocation to Improve Leasing: HUD requests authority to offset the renewal funding allocations for PHAs with excess reserves and reallocate the resulting budget authority to PHAs that have capacity to lease up additional vouchers. HUD also requests authority to reallocate authorized units (UMAs) in cases where PHAs have a demonstrated history of under-leasing (and either there is a lack of housing need in the community or other PHAs are well-situated to meet the need).
- Expand Eligible Uses of HCV Housing Assistance Payment Funding to Include the Provision of Security Deposit, Utility Deposit, and Utility Arrears Assistance: To provide an adequate range of housing opportunities and allow families to successfully use their vouchers, particularly in tight rental markets, PHAs must employ strategies and undertake activities beyond those historically required to fulfill their basic administrative responsibilities. HUD has recently permitted PHAs in limited circumstances to use administrative or special fees for landlord incentive payments, security deposits, and expenses for other purposes that can significantly expand families' housing options and improve their chances of successfully leasing with a housing voucher. HUD proposes to amend Section 8(q) to expressly provide that PHAs may use HCV administrative fees for landlord incentive payments and holding fees, security deposit assistance, assistance for utility deposits and arrears, and renter's

insurance (where leases require it), in addition to using fees for PHAs' costs of administering housing vouchers. There is prior authority to perform this function in Congressional appropriations, however permanent authority is needed for long term use.

Legislative Proposals

The 2025 Budget supports the following legislative proposals and will seek changes through the authorization process:

- Reasonable Accommodation Exception to the Payment Standards: Finding an accessible unit can be difficult for people with disabilities. In competitive housing markets, voucher families often miss out on units if they need to wait for HUD to approve a reasonable accommodation payment standard to allow them to afford an accessible or higher-cost unit. This proposal would give PHAs flexibility in approving exception payment standards. Currently, HUD must review any request for exception from the payment standard (EPS) above 120 percent. However, given the time sensitive nature of these requests and that they are rarely, if ever, denied, HUD seeks to increase that limit to 140 percent to better enable families with disabilities to find an appropriate unit.
- Enhance HCV Landlord Participation Through Pre-Qualifying Unit Inspections: HUD requests language to allow PHAs to conduct pre-qualifying inspections or “pre-inspections” for units not actively linked to a specific HCV family. This proposal is expected to reduce search time for participants once they receive a voucher and will result in additional families being housed. Pre-qualifying unit inspections would also increase successful voucher lease-ups and may reduce the administrative burden on PHAs and their inspectors.
- Expanding Eligible Uses of HCV Administrative Fees to Expand Families' Housing Opportunities and Improve Housing Voucher Utilization: To provide an adequate range of housing opportunities and allow families to successfully use their vouchers, particularly in tight rental markets, PHAs must employ strategies and undertake activities beyond those historically required to fulfill their basic administrative responsibilities. HUD has recently permitted PHAs in limited circumstances to use administrative or special fees for landlord incentive payments, security deposits, and expenses for other purposes that can significantly expand families' housing options and improve their chances of successfully leasing with a housing voucher. HUD proposes to amend Section 8(q) to expressly provide that PHAs may use HCV administrative fees for landlord incentive payments and holding fees, security deposit assistance, assistance for utility deposits and arrears, and renter's insurance (where leases require it), in addition to using fees for PHAs' costs of administering housing vouchers. There is prior authority to perform this function in Congressional appropriations, however permanent authority is needed for long term use.
- FUP, Foster Youth Initiative (FYI) and Mainstream Administrative Flexibilities: HUD proposes to amend the respective authorizing statutes to authorize the Secretary to allow certain specialized policies for Mainstream, FUP and FYI programs such as policies enabling PHAs to create separate waiting lists, extend the time households may search for housing, apply reduced screening criteria, and accept direct referrals from supportive service agencies. HUD further proposes language that would provide statutory flexibilities for PHAs to allow FUP, FYI programs the flexibility to adopt a 90- to 120-day referral timeline. It is difficult for youths to find units that are available for lease within the current 90-day timeframe, which increases the risk that such persons would experience homelessness. Thus, this extended referral timeline would allow more people more time to enter these programs.
- Align PBV Maximum Rent Limitations with Expanded PHA Flexibility to Set Payment Standards to Adapt to Changing Housing Market Conditions: Under current law, PBV maximum rents are generally restricted to 110 percent of the FMR or an exception payment standard approved by HUD. Currently the basic payment standard range for the HCV program is 90-110 percent, and above 110 percent represents an exception payment

standard. If HUD were to increase the HCV basic range maximum from 110 percent to 120 percent, then HCV payment standards would be misaligned with PBV maximum rents (capped at 110 percent). To better align PBVs and HCVs, HUD proposes to change the PBV maximum rent to align with the applicable HCV payment standard.

- **FUP and Mainstream Funds Recapture:** HUD requests language that would allow for the recapture of vouchers and associated funds for FUP and Mainstream when they are not being utilized (e.g., for FUP only PHAs can self-identify themselves for recapture). The vouchers and associated funds would be reallocated to PHAs that have demonstrated need for FUP and Mainstream vouchers and that are successfully utilizing their current voucher funding for these targeted populations and the HCV program in general. PHAs that have FUP or Mainstream vouchers recaptured would then be able to re-apply for these vouchers when they are ready to use them.

General Provisions

The 2025 President's Budget re-proposes the following general provisions:

- **Voucher Assistance for Students at Institutions of Higher Education:** This provision clarifies the eligibility for assistance under section 8 of the United States Housing Act of 1937. (Sec. 207)
- **Moving to Work Flexibilities:** This provision allows public housing agencies designated as Moving to Work agencies to use pre-designation housing choice voucher and public housing funds, including reserves, consistent with the Moving to Work authorities. (Sec. 223)

APPROPRIATIONS LANGUAGE

The 2025 President's Budget includes the appropriations language listed below.

For activities and assistance for the provision of tenant-based rental assistance authorized under the United States Housing Act of 1937, as amended (42 U.S.C. 1437 et seq.) (in this heading "the Act"), not otherwise provided for, \$28,756,000,000, to remain available until expended, which shall be available on October 1, 2024 (in addition to the \$4,000,000,000 previously appropriated under this heading that shall be available on October 1, 2024), and \$4,000,000,000, to remain available until expended, which shall be available on October 1, 2025: Provided, That of the sums appropriated under this heading—

(1) \$29,251,000,000 shall be available for renewals of expiring section 8 tenant-based annual contributions contracts (including renewals of enhanced vouchers under any provision of law authorizing such assistance under section 8(t) of the Act) and including renewal of other special purpose incremental vouchers: Provided, That notwithstanding any other provision of law, from amounts provided under this paragraph and any carryover, the Secretary for the calendar year 2025 funding cycle shall provide renewal funding for each public housing agency based on validated voucher management system (VMS) or successor system leasing and cost data for the prior calendar year and by applying an inflation factor as established by the Secretary, by notice published in the Federal Register, and by making any necessary adjustments for the costs associated with the first-time renewal of vouchers under this paragraph including tenant protection and Choice Neighborhoods vouchers: Provided further, That costs associated with any forgone increases in tenant rent payments due to the implementation of rent incentives as authorized pursuant to waivers or alternative requirements of the Jobs-Plus initiative as described under the heading "Self-Sufficiency Programs" shall be renewed: Provided further, That the Secretary shall, to the extent necessary to stay within the amount specified under this paragraph (except as otherwise modified under this paragraph), prorate each public housing agency's allocation otherwise established pursuant to this paragraph: Provided

further, That except as provided in the following provisos, the entire amount specified under this paragraph (except as otherwise modified under this paragraph) shall be obligated to the public housing agencies based on the allocation and pro rata method described above: Provided further, That public housing agencies participating in the Moving to Work (MTW) demonstration shall be funded in accordance with the requirements of the MTW demonstration program or their MTW agreements, if any, and shall be subject to the same pro rata adjustments under the preceding provisos: Provided further, That the Secretary may perform a statutory offset of public housing agencies' calendar year 2025 allocations based on the excess amounts of public housing agencies' net restricted assets accounts, including HUD-held programmatic reserves (in accordance with VMS or successor system data in calendar year 2024 that is verifiable and complete), as determined by the Secretary: Provided further, That public housing agencies participating in the MTW demonstration shall also be subject to the statutory offset, as determined by the Secretary, from the agencies' calendar year 2025 funding allocation: Provided further, That the Secretary shall use any such offset amounts referred to in the preceding two provisos throughout the calendar year to prevent the termination of rental assistance for families as the result of insufficient funding, as determined by the Secretary; to avoid or reduce the proration of renewal funding allocations; and to enable public housing agencies operating their existing housing choice voucher programs with high utilization rates and a demonstrated capacity to serve additional families, as determined by the Secretary, to assist more families: Provided further, That the Secretary may also reallocate authorized units from public housing agencies with a history of significant under-leasing and utilization to public housing agencies that meet the requirements of the previous proviso to receive funds to assist more families and that have under lease all, or nearly all, of their authorized units: Provided further, That such reallocations shall be made in accordance with terms and conditions established by the Secretary by notice: Provided further, That the Secretary may utilize unobligated balances, including recaptures and carryover, remaining from amounts made available under this heading in prior Acts (excluding special purpose vouchers, but including amounts previously made available for the Mainstream program), notwithstanding the purposes for which such amounts were appropriated, to avoid or reduce the proration of renewal funding allocations: Provided further, That amounts repurposed pursuant to the preceding proviso that were previously designated by the Congress as an emergency requirement pursuant to a concurrent resolution on the budget or the Balanced Budget and Emergency Deficit Control Act of 1985 are designated by the Congress as an emergency requirement pursuant to the concurrent resolution on the budget: Provided further, That up to \$200,000,000 shall be available only: (A) for adjustments in the allocations for public housing agencies, after application for an adjustment by a public housing agency that experienced a significant increase, as determined by the Secretary, in renewal costs of vouchers resulting from unforeseen circumstances or from portability under section 8(r) of the Act; (B) for vouchers that were not in use during the previous 12-month period in order to be available to meet a commitment pursuant to section 8(o)(13) of the Act, or an adjustment for a funding obligation not yet expended in the previous calendar year for a MTW-eligible activity to develop affordable housing for an agency added to the MTW demonstration under the expansion authority provided in section 239 of the Transportation, Housing and Urban Development, and Related Agencies Appropriations Act, 2016 (division L of Public Law 114-113); (C) for adjustments for costs associated with HUD-Veterans Affairs Supportive Housing (HUD-VASH) vouchers; (D) for public housing agencies that despite taking reasonable cost savings measures, as determined by the Secretary, would otherwise be required to terminate rental assistance for families as a result of insufficient funding; (E) for adjustments in the allocations for public housing agencies that— (i) are leasing a lower-than-average percentage of their authorized vouchers, (ii) have low amounts of budget authority in their net restricted assets accounts and HUD-held programmatic reserves, relative to other agencies, and (iii) are not participating in the Moving to Work demonstration, to enable such agencies to lease more vouchers; (F) for withheld payments in accordance with section 8(o)(8)(A)(ii) of the Act for months in the previous calendar year that were subsequently paid by the public housing agency after the agency's actual costs were validated; (G) for public housing agencies that have experienced increased costs or loss of units in an area for which the President declared a disaster under title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170 et seq.); and (H) for adjustments for costs associated with Mainstream

vouchers: Provided further, That the Secretary shall allocate amounts under the preceding proviso based on need, as determined by the Secretary: Provided further, That of the total amount provided under this paragraph, up to \$50,000,000 shall be available to supplement funds transferred from the heading "Public Housing Fund" to fund contracts for properties converting from assistance pursuant to Section 9 of the Act under the heading "Rental Assistance Demonstration" in title II of the Transportation, Housing and Urban Development, and Related Agencies Appropriations Act, 2012 (division C of Public Law 112-55) to further long-term financial stability and promote the energy or water efficiency, climate resilience, or preservation of such properties: Provided further, That the amounts under the previous proviso may also be available, without additional competition, for cooperative agreements with Participating Administrative Entities that have been previously or newly selected under section 513(b) of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (42 U.S.C. 1437f note) (MAHRAA) to provide direct support, including carrying out due diligence and underwriting functions for owners and for technical assistance activities, on conditions established by the Secretary for small properties and owners entering into any conversion contract under the First Component: Provided further, That the Secretary may establish a demonstration program to continue through fiscal year 2028 at a limited number of public housing agencies in difficult rental markets, as determined by the Secretary, for the purpose of testing whether the provision of additional assistance to facilitate leasing increases the ability of families participating in the program to lease a unit: Provided further, That amounts made available under this paragraph in this and prior Acts to public housing agencies participating in such demonstration program shall be available for making utility and security deposit assistance payments (including last month's rent) and other costs consistent with the terms of the demonstration, in addition to the purposes for which such funds were appropriated and obligated and in addition to amounts for administrative and other expenses otherwise available for such payments and costs: Provided further, That any such utility or security deposit payments returned to the public housing agency, including any interest earned while such amounts were held by the owner, shall be available only for future housing assistance payment expenses (including eligible uses during the term of the demonstration);

(2) \$300,000,000 shall be available for section 8 rental assistance for relocation and replacement of housing units that are demolished or disposed of pursuant to section 18 of the Act, conversion of section 23 projects to assistance under section 8, relocation of witnesses (including victims of violent crimes) in connection with efforts to combat crime in public and assisted housing pursuant to a request from a law enforcement or prosecution agency, enhanced vouchers under any provision of law authorizing such assistance under section 8(t) of the Act, Choice Neighborhood vouchers, mandatory and voluntary conversions, and tenant protection assistance including replacement and relocation assistance or for project-based assistance to prevent the displacement of unassisted elderly tenants currently residing in section 202 properties financed between 1959 and 1974 that are refinanced pursuant to Public Law 106-569, as amended, or under the authority as provided under this Act: Provided, That the Secretary may reprogram amounts made available under this paragraph to utilize such amounts to avoid or reduce the proration of renewal funding allocations under paragraph (1) under this heading: Provided further, That up to \$20,000,000 of the amounts made available under this paragraph may be used to provide replacement tenant protection assistance to low-income tenants assisted under section 521 of title V of the Housing Act of 1949 (42 U.S.C. 1471 et seq.), upon the determination and referral by the Secretary of the Department of Agriculture that section 521 assistance is no longer available to protect such tenants due to maturity, prepayment, or foreclosure of loans under section 514 or section 515 of such Act (42 U.S.C. 1484 and 1485): Provided further, That when a public housing development is submitted for demolition or disposition under section 18 of the Act, the Secretary may provide section 8 rental assistance when the units pose an imminent health and safety risk to residents: Provided further, That the Secretary may provide section 8 rental assistance from amounts made available under this paragraph for units assisted under a project-based subsidy contract funded under the "Project-Based Rental Assistance" heading under this title where the owner has received a Notice of Default and the units pose an imminent health and safety risk to residents: Provided further, That of the amounts made available under this paragraph, no less than \$5,000,000 may be available to provide tenant protection assistance, not otherwise provided

under this paragraph, to residents residing in low vacancy areas and who may have to pay rents greater than 30 percent of household income, as the result of: (A) the maturity of a HUD-insured, HUD-held or section 202 loan that requires the permission of the Secretary prior to loan prepayment; (B) the expiration of a rental assistance contract for which the tenants are not eligible for enhanced voucher or tenant protection assistance under existing law; or (C) the expiration of affordability restrictions accompanying a mortgage or preservation program administered by the Secretary: Provided further, That such tenant protection assistance made available under the preceding proviso may be provided under the authority of section 8(t) or section 8(o)(13) of the Act: Provided further, That any tenant protection voucher made available from amounts under this paragraph shall not be reissued by any public housing agency, except the replacement vouchers as defined by the Secretary by notice, when the initial family that received any such voucher no longer receives such voucher, and the authority for any public housing agency to issue any such voucher shall cease to exist: Provided further, That the Secretary may only provide replacement vouchers for units that were occupied within the previous 24 months that cease to be available as assisted housing, subject only to the availability of funds;

(3) \$2,964,000,000 shall be available for administrative and other expenses of public housing agencies in administering the section 8 tenant-based rental assistance program, of which up to \$30,000,000 shall be available to the Secretary to allocate to public housing agencies that need additional funds to administer their section 8 programs, including fees associated with section 8 tenant protection rental assistance, the administration of disaster related vouchers, HUD-VASH vouchers, and other special purpose incremental vouchers: Provided, That no less than \$2,934,000,000 of the amount provided in this paragraph shall be allocated to public housing agencies for the calendar year 2025 funding cycle based on section 8(q) of the Act (and related Appropriation Act provisions) as in effect immediately before the enactment of the Quality Housing and Work Responsibility Act of 1998 (Public Law 105–276): Provided further, That if the amounts made available under this paragraph are insufficient to pay the amounts determined under the preceding proviso, the Secretary may decrease the amounts allocated to agencies by a uniform percentage applicable to all agencies receiving funding under this paragraph or may, to the extent necessary to provide full payment of amounts determined under the preceding proviso, utilize unobligated balances, including recaptures and carryover, remaining from funds appropriated under this heading from prior fiscal years, excluding special purpose vouchers, notwithstanding the purposes for which such amounts were appropriated: Provided further, That all public housing agencies participating in the MTW demonstration shall be funded in accordance with the requirements of the MTW demonstration program or their MTW agreements, if any, and shall be subject to the same uniform percentage decrease as under the preceding proviso: Provided further, That amounts provided under this paragraph shall be only for activities related to the provision of tenant-based rental assistance authorized under section 8, including related development activities;

(4) Of the amounts provided under paragraph (1), up to \$5,000,000 shall be available for rental assistance and associated administrative fees for Tribal HUD-VASH to serve Native American veterans that are homeless or at-risk of homelessness living on or near a reservation or other Indian areas: Provided, That such amount shall be made available for renewal grants to recipients that received assistance under prior Acts under the Tribal HUD-VASH program: Provided further, That the Secretary shall be authorized to specify criteria for renewal grants, including data on the utilization of assistance reported by grant recipients: Provided further, That such assistance shall be administered in accordance with program requirements under the Native American Housing Assistance and Self-Determination Act of 1996 and modeled after the HUD-VASH program: Provided further, That the Secretary shall be authorized to waive, or specify alternative requirements for any provision of any statute or regulation that the Secretary administers in connection with the use of funds made available under this paragraph (except for requirements related to fair housing, nondiscrimination, labor standards, and the environment), upon a finding by the Secretary that any such waivers or alternative requirements are necessary for the effective delivery and administration of such assistance: Provided further, That grant recipients shall report to the Secretary on utilization of

such rental assistance and other program data, as prescribed by the Secretary: Provided further, That the Secretary may reallocate, as determined by the Secretary, amounts returned or recaptured from awards under the Tribal HUD-VASH program under prior Acts to existing recipients under the Tribal HUD-VASH program;

(5) \$241,000,000 shall be available for new incremental voucher assistance under section 8(o) of the Act to be allocated pursuant to a method, as determined by the Secretary, which may include a formula that may include such factors as severe cost burden, overcrowding, substandard housing for very low-income renters, homelessness, and administrative capacity, where such allocation method shall include both rural and urban areas: Provided, That the Secretary may specify additional terms and conditions to ensure that public housing agencies provide vouchers for use by survivors of domestic violence, dating violence, sexual assault, stalking, or human trafficking, or individuals and families who are homeless, as defined in section 103(a) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11302(a)), or at risk of homelessness, as defined in section 401(1) of such Act (42 U.S.C. 11360(1)); and

(6) the Secretary shall separately track all special purpose vouchers funded under this heading: Provided, That upon turnover, special purpose vouchers issued pursuant to section 811 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 8013) funded under this or any other heading in this or prior Acts, shall be provided to non-elderly persons with disabilities:

Provided further, That the Secretary may waive, or specify alternative requirements for, any provision of any statute or regulation that the Secretary administers in connection with the use of funds (including upon renewal) made available for the demonstration to facilitate leasing under paragraph (1), for the Mainstream program, for special purpose vouchers for non-elderly disabled families, and for the family unification program (including the Foster Youth to Independence program) in this and prior Acts (except for requirements related to fair housing, nondiscrimination, labor standards, and the environment), upon a finding by the Secretary that any such waivers or alternative requirements are necessary for the effective delivery and administration of voucher assistance in such respective programs: Provided further, That of the amounts made available under this heading, \$5,289,210,000 is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985: Provided further, That such amount shall be available only if the President designates such amount as an emergency requirement pursuant to such section 251(b)(2)(A)(i).

Note.--A full-year 2024 appropriation for this account was not enacted at the time the Budget was prepared; therefore, the Budget assumes this account is operating under the Continuing Appropriations Act, 2024 and Other Extensions Act (Division A of Public Law 118–15, as amended). The amounts included for 2024 reflect the annualized level provided by the continuing resolution.