Federal Rental Assistance Programs

What is Federal Rental Assistance?
Federal rental assistance enables over 5 million low-income households to afford decent homes. Three major programs — Housing Choice Vouchers, Section 8 Project-based Rental Assistance, and Public Housing — assist about 90 percent of these households. Federal rental assistance makes housing affordable for almost 10 million people, including nearly 4 million children. Congress primarily funds federal rental assistance programs through annual appropriations for HUD.

Who is eligible for Federal Rental Assistance?
A household must be low-income — meaning that their combined income may not exceed 80 percent of the local area median income — in order to begin receiving federal rental assistance. The main rental assistance programs (e.g. Public Housing, Housing Choice Vouchers, and Project Based Rental Assistance) also target their assistance to serve those who classified as “extremely low income”, meaning that their income may not exceed the higher of 30 percent of the local area median income or the federal poverty line. As a result, 70 percent of new voucher holders and 40 percent of new residents in project-based and public housing must be extremely low-income.

Because of funding limitations, only one out of four eligible low-income renter households receives federal rental assistance, and the number of unassisted renter households with “worst case” housing needs rose by more than 30 percent between 2007 and 2013. HUD defines these households as renters with incomes at or below half of the area median income that do not receive rental assistance and pay more than half their income for housing, live in severely substandard housing, or both.

How do assisted families use Federal Rental Assistance?
Most federal rental assistance is used to rent units in privately owned properties. Under the Housing Choice Voucher program, the local housing agency distributes vouchers to qualified families who then conduct their own housing searches and identify private apartments with rents within the local housing agency’s rent payment standards.

Under the public housing program, the agency is responsible for all aspects of managing the property including collecting tenant rent payments and HUD subsidies, maintaining the housing, and managing waiting lists. Under the Section 8 Project-based Rental Assistance program, the same tasks carried out by public agencies under the Housing Choice Vouchers and Public Housing Programs are carried out by private owners of the assisted properties.

What can Congress do?
Federal housing programs have been chronically underfunded. Today, just one in four families eligible for federal housing assistance get the help they need. Congress should increase funding for rental assistance programs including Housing Choice Vouchers and Project-based Rental Assistance.

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