

Summary of H.R. 1851, the "Section 8 Voucher Reform Act of 2007."

Background

Popularly known as the "Section 8" program, the Housing Choice Voucher Program is the federal government's primary initiative for helping very low-income families, the elderly, and the disabled afford decent, safe, and sanitary housing in the private market. Since housing assistance is provided on behalf of the family or individual, participants are able to find their own housing, including single-family homes, townhouses and apartments.

The participant is free to choose any housing that meets the requirements of the program and is not limited to units located in subsidized housing projects.

Housing choice vouchers are administered locally by public housing agencies (PHAs). PHAs receive federal funds from the U.S. Department of Housing and Urban Development (HUD) to administer the voucher program. Over the years, the cost of the housing choice voucher has continued to increase and today consumes over 60 percent of HUD's budget.

Rep. Maxine Waters introduced H.R. 1851 on March 29, 2007, with Committee Chairman Frank, Ranking Housing Subcommittee Member Biggert, and Rep. Shays as original cosponsors. On May 25, 2007, the House Financial Services Committee passed the bill by a margin of 52 to 9.

What the bill does

H.R. 1851 reforms the Section 8 funding formula to make it more efficient, revise the rent calculation process for Section 8 and public housing to expand work incentives and reduce administrative costs; increase flexibility to use vouchers for homeownership; amend voucher targeting rules to increase voucher opportunities for lower income working families in rural areas; and authorizes an expansion in the number of families receiving vouchers by 20,000 a year for each of the next five years.

Additionally, the bill passed by the Committee contains provisions to:

- Allow vouchers to be used to purchase manufactured homes on leased land.

- Require

HUD to issue guidance to ensure that the 50,000+ vouchers created for persons with disabilities continue be reserved for such persons.

- Permit

housing agencies to exceed their limit on the number of voucher holders they can serve in order to encourage more efficient use of voucher funds

- Increase the percentage of reserves housing agencies can retain for the voucher program

- Provide for full funding for the cost of housing agencies accepting voucher holders from other communities.