America Needs Universal Rental Assistance To Make Housing Affordable for All

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What's America's current system for housing assistance?

Rental assistance programs like housing choice vouchers are deeply underfunded, and the tax code prioritizes homeowners.

Rental Assistance Helps Over 10 Million People Afford Safe, Stable Housing

10.1 million

people in **5.3 million American** households use federal rental assistance to afford modest housing.

69% are seniors, children, or people with disabilities.



...but 4 in 10 low-income* people in the United States are experiencing homelessness or pay over half their income for rent. Most don't receive federal rental assistance due to limited funding.



22%
of assisted people are seniors

Rental assistance helps **2.2 million** of the United States' seniors age in place.



26%
of assisted people have a disability

Rental assistance helps **2.6 million** people with disabilities to live independently in the United States.



55%
of assisted people are in families with children

Rental assistance helps **5.5 million** people in families with children in the United States avoid homelessness.

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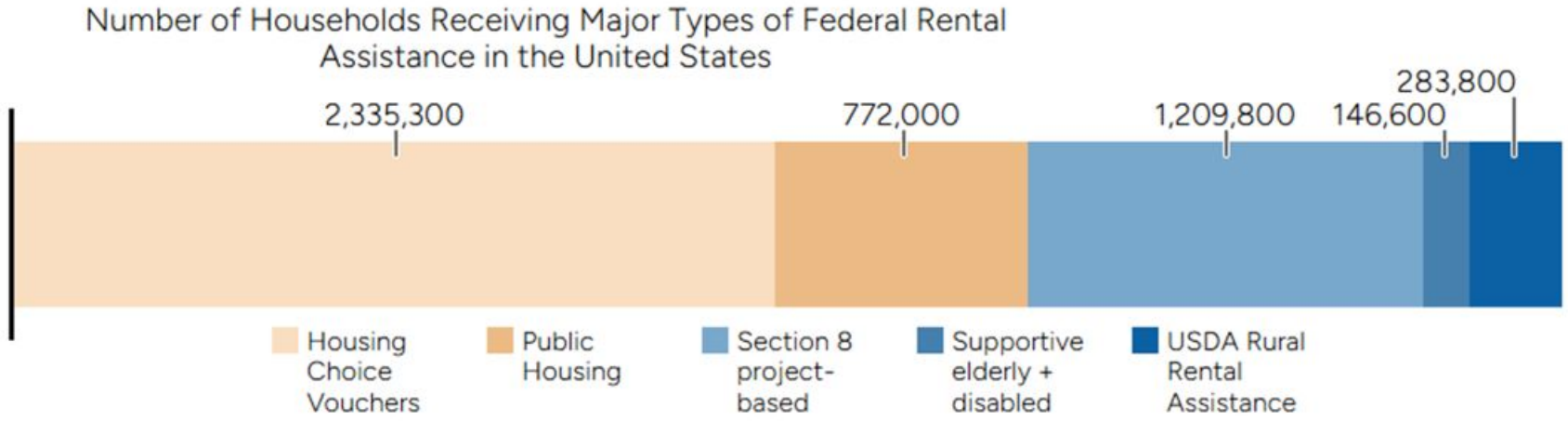
Most Rental Assistance Is Provided Through Three Main HUD Programs



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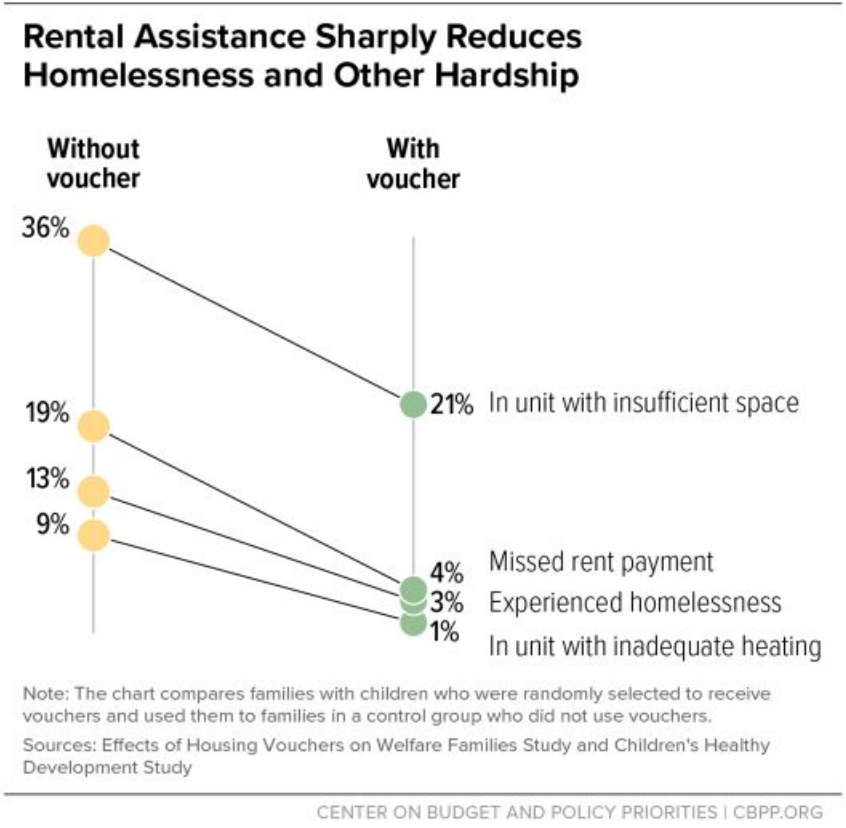
Rental Assistance Is Highly Effective at Reducing Hardship and Helping People Afford Housing



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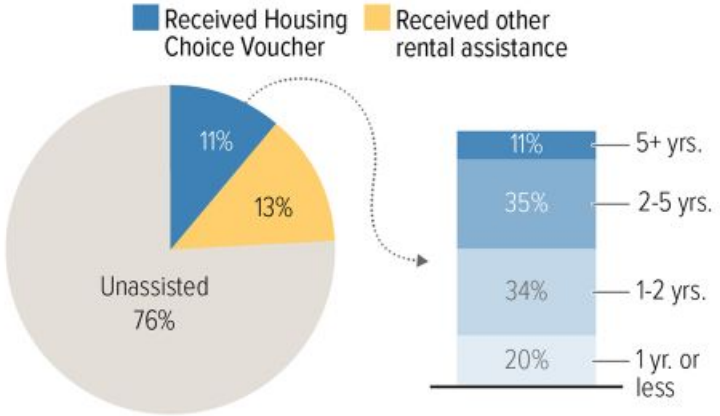
Despite Proven Impact, Rental Assistance Reaches Fraction of Those in Need Due to Inadequate Funding

Small Share of Eligible Households Receive Rental Assistance and Often After Long Wait

Share of eligible households receiving rental assistance and wait time for voucher recipients



Note: Voucher wait time data reflect the percentage of vouchers administered by state and local agencies with average wait times in the range shown.

Source: HUD custom tabulations of the 2023 American Housing Survey; CBPP analysis of 2024 HUD administrative data; FY2024 McKinney-Vento Permanent Supportive Housing bed counts; 2022-2023 Housing Opportunities for Persons with AIDS grantee performance profiles; USDA FY2023 Multi-Family Fair Housing Occupancy Report; HUD 2024 Picture of Subsidized Households

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Federal Subsidies Support Development of Affordable Housing

Major programs include:

- Low-income housing tax credit
- Tax-exempt private activity bonds
- HOME
- Community Development Block Grant

Main Federal Homeownership Supports Reach Everyone Who Is Eligible, Without Waiting Lists

- FHA and VA home loan guarantees
- Fannie Mae and Freddie Mac secondary market
- Mortgage interest deduction
- Property tax deduction
- Capital gains exclusion

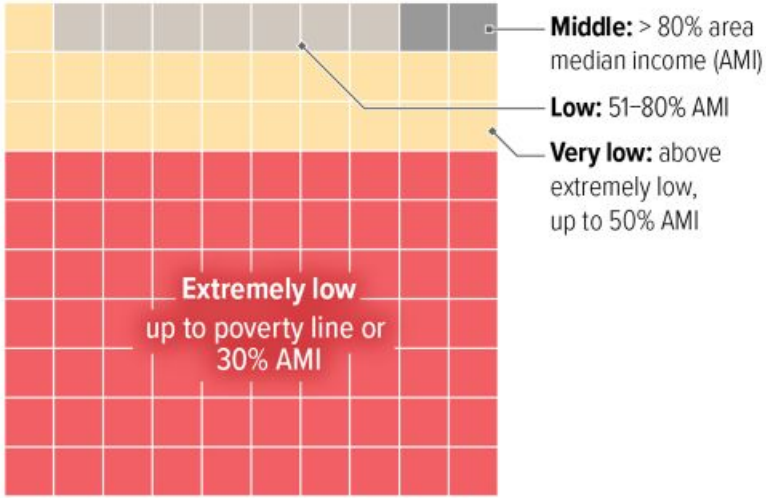
How do we achieve true housing affordability?

America needs a comprehensive set of policy solutions anchored by universal rental assistance.

Housing Affordability Problems Are Heavily Concentrated at Bottom of Income Scale

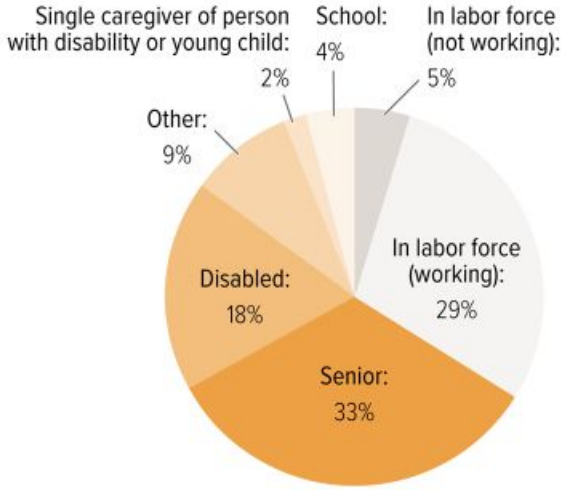
Most Severely Cost-Burdened Renters Have Extremely Low Incomes

Share of renters paying more than half their income for housing, by HUD income category; 1 box = 1%



Source: CBPP analysis of 2024 American Community Survey data and 2024 HUD income limits

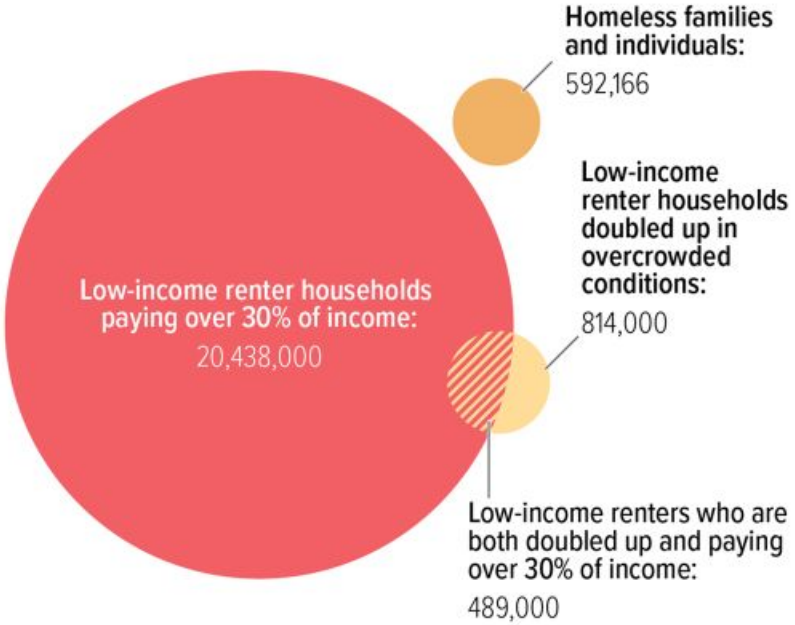
Most Extremely Low-Income Renters Work, Are Seniors, or Have a Disability



Note: Extremely low-income = income below the federal poverty line or 30 percent of the local median, whichever is higher. Categories are mutually exclusive based on characteristics of the household head or spouse and applied in the following order: senior (62 or older), disabled, in labor force, enrolled in school, single adult caregiver of a child under 7 or of a household member with a disability, and other.

Source: National Low Income Housing Coalition analysis of 2024 American Community Survey Public Use Microdata Sample

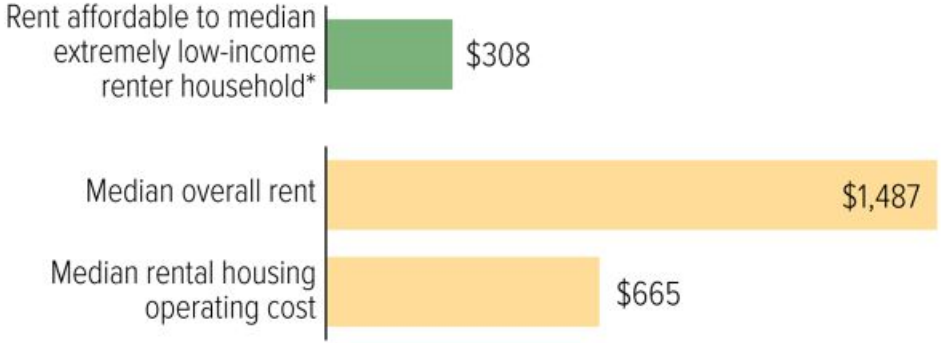
Most People Who Need Rental Assistance Have a Home but Struggle to Afford It



Source: HUD homelessness point-in-time count for January 2024 and CBPP analysis of 2024 American Community Survey data.

Building Housing and Strengthening Tenant Rights are Crucial but Not Enough to Solve Affordability Crisis

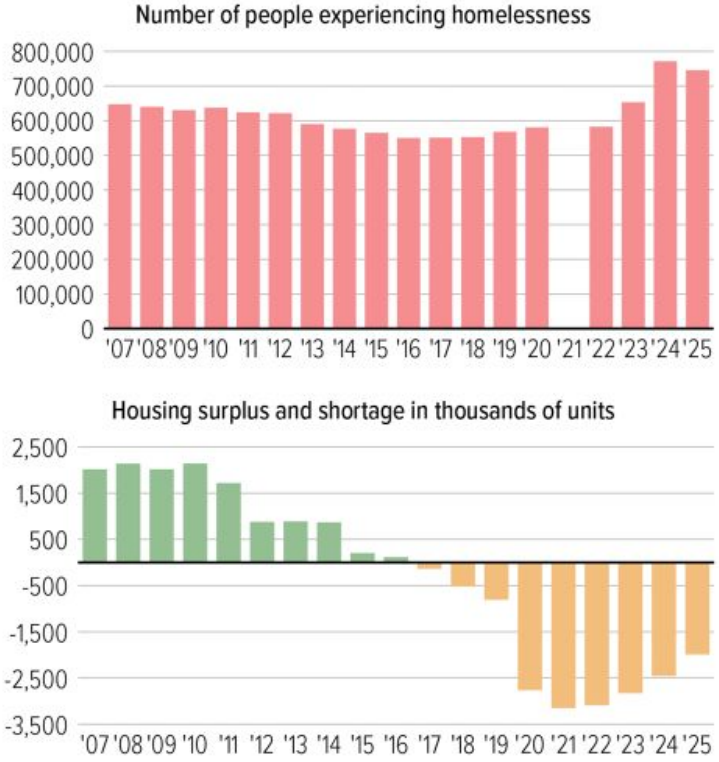
Many of the Lowest-Income Households Can't Afford Rent Sufficient to Cover Housing Operating Costs



*Extremely low-income means up to the poverty line or 30 percent of the area median income, whichever is higher.

Source: CBPP analysis of 2024 American Community Survey data and 2024 Income/Expense IQ Benchmarking Report from National Apartment Association, Institute for Real Estate Management, and Building Owners and Management Association

Even When Housing Is Abundant, Many People Are Left Without Homes



Note: Housing surpluses and shortages are Moody's Analytics estimates for the first quarter of the year. Homelessness figures are from HUD point-in-time counts for a single night in January. Missing 2021 homelessness data reflects pandemic-related data collection issues for unsheltered homelessness.

Sources: Moody's Analytics, HUD

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How Vouchers Complement New Supply



Vouchers finance deep affordability

Steady rent payments from vouchers give lenders confidence to finance housing for families with very low incomes.



Funding gaps stall development

Voucher funding shortfalls can make planned affordable housing development stall or fall through.



Vouchers reach the lowest income households

They bridge the gap between what the lowest-income renters can pay and what housing costs to operate.



New supply helps vouchers work

More housing options help voucher holders find a home before their search time runs out.

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The 21st Century ROAD to Housing Act Opened a Window for Additional Housing Policy Reforms

WHAT COMES NEXT



Supply-boosting reforms

- Innovation Fund
- CDBG housing growth pilot
- HOME and NEPA reforms
- Manufactured housing modernization



Initial demand-side fixes

- HCV inspection alignment
- New Moving to Work cohort
- RAD cap raised by 100,000 units



Expanding Rental Assistance

- Provide stable, full funding
- Robust program reforms
- Test and scale ideas from state and local programs and pilots

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ROAD Reforms Go Further With Expanded Rental Assistance

ROAD provision	Limitations	Complementary Rental Assistance reforms
Innovation Fund and CDBG housing growth pilot	New units do not add supply affordable to ELI households	**More vouchers, plus Small Area FMRs so voucher holders can reach new homes in growing neighborhoods**
HOME reforms and NEPA streamlining	Lower cost to build, but homes for ELI households still need operating subsidy	**Stable project-based voucher funding that deals can underwrite with confidence**
RAD cap raised by 100,000 units	Conversions depend on reliable Section 8 contract funding	**Full renewal funding so converted properties stay affordable and well maintained**
HCV inspection alignment	Facilitates participation in voucher program, but owners may still avoid participating in program	**Source of income protections and landlord incentives**
New Moving to Work cohort	Flexibilities reach only a subset of housing agencies	**A pathway to extend proven MTW tools to every agency**

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Carrying ROAD's Momentum into Future Rental Assistance Reforms

Fully fund vouchers

Full renewals and growth toward every eligible household

Protect the pipeline

Predictable project-based voucher funding

Expand choice

Small Area FMRs, portability and mobility counseling

Protect voucher holders

Source of income protections for more renters

Cut the red tape

Simpler recertifications, inspections and owner support

Test and scale

Build on MTW agency flexibilities and DRA pilots like PHLHousing+

Rental assistance provides life-changing stability, but underfunding greatly limits impact.

Nationally, **the average wait time to receive a voucher is two and a half years**.

Depending on local priorities (chronically homeless, victims of domestic violence, veterans etc.), some families receive them sooner.

Families have been known to wait **up to eight years** while millions of eligible families never receive assistance due to a lack of funding.

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Protections for Prospective Tenants Are Needed So Families Have Equal Access

About **30 percent of families who receive a voucher lose it** because they can't find a landlord to rent to them.

Voucher **success rates are 12 percent higher** in jurisdictions with SOI discrimination laws.



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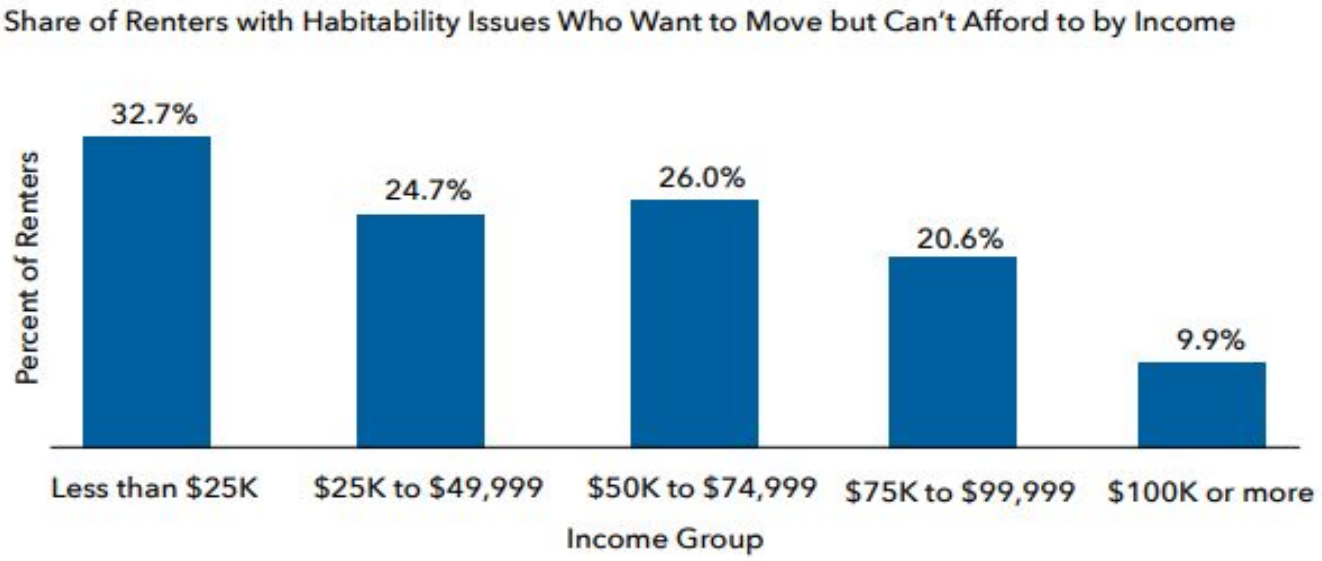
Universal Rental Assistance Increases Tenants' Access to Healthy and Safe Housing



Note: Percentages are based on the total number of renters within each income group who reported experiencing at least one habitability issue in their current home within the last two years, or since they have moved into their current home if they have resided there for less than two years.

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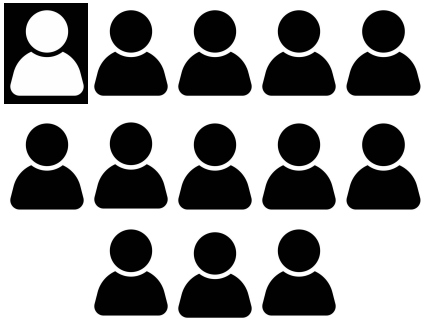
Universal Rental Assistance Is Eviction Prevention

Because primary cause for eviction filings is failure to pay rent, **universal rental assistance could prevent up to 80 percent of eviction filings.**

Landlord-tenant mediation programs have reported resolution rates of 70 percent or greater.

Right to counsel programs have prevented evictions for 67 to 95 percent of represented tenants, with variation across cities and states.



1 in every 13 renters experienced an eviction filing in 2025

Source: The Eviction Lab

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What are the policy options for universal rental assistance?

Congress can choose to invest in existing programs and/or create new benefits for renters through the tax code.

Principles for a Federal Rental Assistance Guarantee

1. Provide **long-term mandatory funding** that adjusts automatically to meet need.

2. Multi-year **phase in** to allow time for markets to adjust and administrative systems to ramp up.

3. Prioritize **people with the greatest need** for assistance.

4. Make rental assistance **easier to use** through program reforms, services, and supports.

5. Remove unnecessary **barriers to eligibility**.

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Housing Voucher Expansion and Reform

- Ending Homelessness Act (H.R. 4872) phases in voucher guarantee over 9 years, starting with lowest-income households, and includes important reforms:
  - Use of subsidies for **security deposits**
  - **Prohibition on discrimination** against voucher holders
  - Support for **cooperation among local housing agencies**
  - Use of **Small Area Fair Market Rents**
- Other reforms would also make vouchers easier to use (with or without expansion)
  - Inspection flexibility for **recently built units**
  - Allow **pre-inspections** 1 year in advance for all units
  - Extend minimum **search time limit** beyond current floor of 60 days
  - Provide funds for **housing search navigators**
  - **Streamline eligibility determinations**

Direct Rental Assistance

- State and local housing agencies are testing provision of rental assistance directly to tenants, (rather than through contract between housing agency and owner). Potential benefits include:
  - **Avoiding need for landlord permission** to use subsidy (unless tenant opts to disclose to show means of payment).
  - **Sharply reducing administrative costs** and burdens compared to vouchers.
  - **Greater autonomy** for tenants.
- Congress could:
  - **Remove barriers to local demonstrations** including by clarifying how direct rental assistance will be treated for income determinations in other programs.
  - **Authorize a large-scale national demonstration**.

Refundable and Inclusive Renter Tax Credit

Renter Tax Credit = **Fair Market Rent - Annual Household Income x 30 Percent**

Example: A single parent and her three kids rent a 3-bedroom apartment in Cleveland, Ohio for $1,530 per month. She works full-time at a minimum wage job and makes $22,880 annually.

Her renter tax credit would be **$960 per month** ($11,520 annually)

Refundable and Inclusive Renter Tax Credit

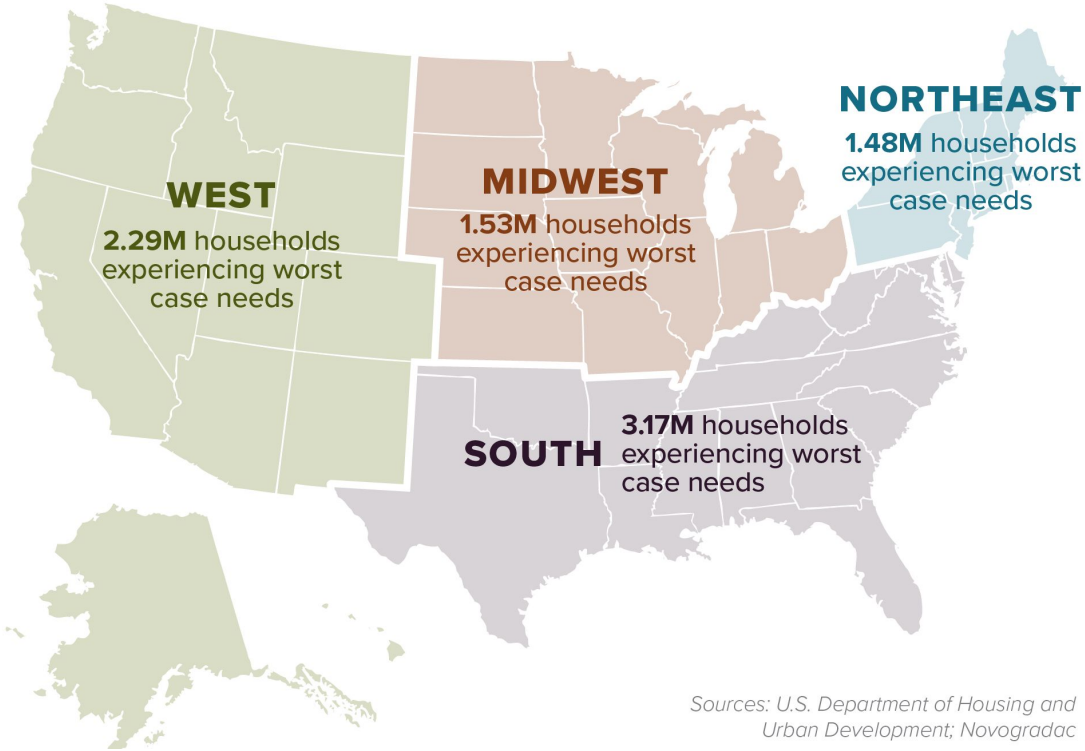
The Rent Relief Act of 2023 (H.R.6721) establishes a refundable tax credit for households making less than $100,000 and spending over 30 percent of their income on rent.

- It would cost at least $76 billion to establish a credit for all renters with low incomes, which includes working families making the minimum wage.
- To control costs for a renter tax credit, Congress could set a maximum credit limit similar to the EITC or CTC.

Pairing Options Together Could Reach More Families

	Renter Tax Credit	Voucher Entitlement
Advantages	• Easily accessible with fewer barriers to participation • Fewer resources needed to administer • No reliance on landlord participation	• Capacity to offer wraparound and supportive services • Better serves people experiencing homelessness or with no incomes • Guarantees some tenant protections
Downsides	• Requires households to have a lease • May be distributed annually • May have a maximum credit limit	• Heavily dependent on landlord participation • Costly to administer • Requires participants to frequently communicate with agency

A Strong Universal Rental Assistance System Ensures Every Family Has An Affordable Place to Call Home



Sources: U.S. Department of Housing and Urban Development; Novogradac

Thank you for coming!

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