



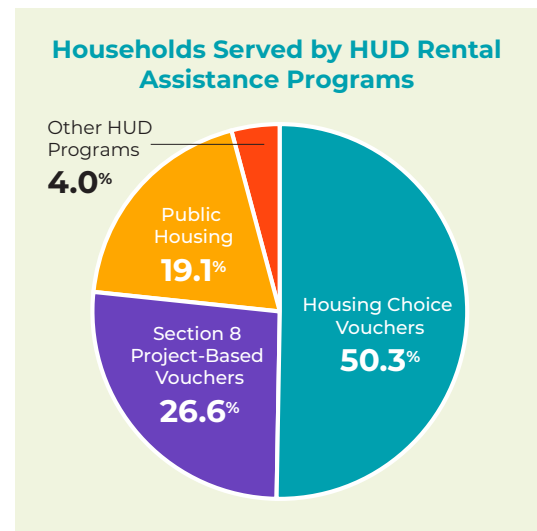
What You Need to Know About Federal Rental Assistance

What is federal rental assistance?

Federal rental assistance is a set of several programs—mostly administered through the Department of Housing and Urban Development (HUD) and the Department of Agriculture with support from tax credits—that help families with little or no income cover their housing costs. These programs help in many different ways, but the basic concept is that families with low incomes contribute a certain, sustainable amount of their income to their monthly rent payments and the government covers the rest. In total, these programs [help more than 9 million people in 4.6 million households](#), more than a third of which were households with children.

The most common type of federal housing assistance is the [Housing Choice Voucher](#) (HCV), followed by Section 8 project based vouchers and public housing.

- **Housing Choice Vouchers** is money that helps families rent private homes and apartments. Voucher holders typically contribute up to 30 percent of their family income to the rent and the voucher covers the remaining cost. [More than 2.3 million households receive assistance through the HCV program.](#)
- **Section 8 project-based vouchers** work like Housing Choice Vouchers with one crucial difference: a Housing Choice Voucher is tied to a family, while a project-based voucher is tied to a specific housing unit in a privately-managed property.¹ More than [1.2 million households](#) receive project-based voucher assistance.
- **Public housing** units are owned and maintained by the government and rented out to residents at affordable rates. Public housing serves just under 900,000 households.
- The **Department of Agriculture's rural housing assistance programs** also help ensure housing assistance for [a few hundred thousand](#) people in rural communities across the country.



¹As an example, imagine the Smith Family living in an apartment on Second Street. If the Smith Family had a Housing Choice Voucher, they would be able to take that voucher with them if they moved to a new home on Third Street. If the Smith Family was receiving assistance through a project-based voucher, however, that voucher would remain tied to the apartment on Second Street and, once the Smiths move out, the voucher would help the next family that moves into the apartment.

Why do we need rental assistance?

Rental assistance is crucial because millions of families with little or no income cannot afford rent and families with children are disproportionately likely to struggle to pay the rent. There are nearly [11 million families with low incomes](#) in the U.S. that rent their homes, and [more than 70 percent of those families—including 2.6 million families with children—are “severely burdened” by housing costs](#), as defined by HUD. Put simply, families are considered severely rent burdened if they have income below 30 percent of the median income in their area and they spend more than half of their income on housing.

When families have access to safe, stable, affordable housing through federal rental assistance, children’s short- and long-term well-being increases, they do better in school, and they are healthier. When families have to spend so much of their money on rent, they [cannot spend as much on their children’s basic needs](#). Families that are rent burdened also face [greater risks of eviction and homelessness](#), both of which have serious consequences for children’s development and health.

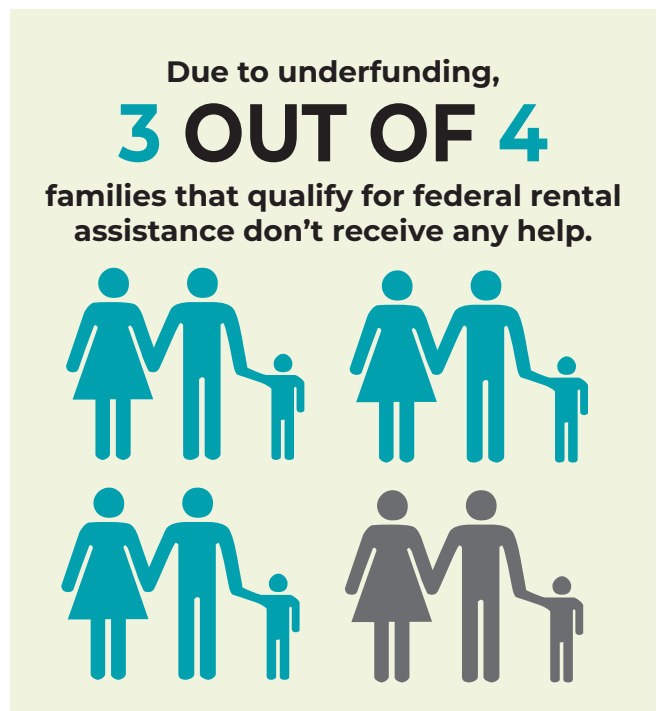
Fortunately, housing assistance is very effective at alleviating rent burdens and improving outcomes for children. Over six [million people in families with children](#) receive federal rental assistance; rental assistance—the Housing Choice Voucher, in particular—is proven to increase housing stability, [reduce childhood poverty](#), and [prevent homelessness](#).

Who is eligible for rental assistance?

In general, a household’s income must be below 80 percent of their Area Median Income (AMI) to qualify for housing assistance, though some programs set that threshold at 50 percent of AMI. The HCV program requires that Public Housing Agencies (PHAs) must provide at least 75 percent of their vouchers to households below an even lower income threshold—30 percent of the area median. To receive assistance, households are required to contribute 30 percent of their income to rent payments.

Some smaller federal programs are limited to particular types of renters, including those who are elderly, those living with disabilities, and those who have experienced homelessness.

Unfortunately, most families who qualify for rental assistance cannot actually get help. Even though federal rental assistance is proven to [help reduce child poverty](#), homelessness, housing instability, and overcrowding, fewer than [1 in 4 eligible households with children receive it](#). This massive gap is due to deep underfunding for rental assistance programs, underfunding that leaves many millions of families with children without help, often stuck on waitlists for years.



How can I get rental assistance?

Federal rental assistance is distributed primarily through local Public Housing Agencies (PHAs).

For information on how to apply, you should begin by identifying your local PHA here:

https://www.hud.gov/program_offices/public_indian_housing/pha/contacts

Families that receive a Housing Choice Voucher are then responsible for finding a unit on the private rental market that meets the minimum standards of health and safety (determined by the PHA) and where the owner agrees to rent under the program. Currently there is no federal law preventing landlords from denying leases to families with housing vouchers—this “source of income” discrimination [presents yet another hurdle for families](#) trying to get help with the rent. Once a family finds a suitable unit, the PHA makes payments directly to the landlord on the family's behalf and the family pays the difference between the actual rent charged by the landlord and the amount subsidized by the voucher program.

Under the public housing program, families receive one of the nearly [900,000 units managed and maintained by PHAs nationwide](#). For decades, the number of people living in public housing units has fallen as federal assistance has shifted away from government-operated housing and toward public-private partnerships represented by the HCV and project-based Section 8 programs.

What should Congress do to improve federal rental assistance programs?

To ensure every family in need can get federal assistance, Congress must:

- **Provide universal housing vouchers and guarantee affordable housing for all.** Guaranteeing a housing voucher to every eligible family would help millions of families pay their rent, dramatically reduce child homelessness, and cut child poverty. According to an [analysis by researchers at Columbia University, a fully-funded housing voucher program would cut child poverty by 36 percent](#).
- **Improve access to rental assistance.** To ensure families that receive rental assistance are able to use it, Congress must ban source of income discrimination by landlords who refuse to rent to families receiving federal assistance. Congress must also simplify the application process for assistance and increase the value of rental assistance to allow renters greater housing choice as rents rise across the country.
- **Make a robust investment in public housing and the broader supply of affordable housing.** Lawmakers should also enact strong tenant protection laws and increase enforcement of the Fair Housing Act to ensure that the housing market is free of discrimination.