The Past, Present, and Future of the Housing Choice Voucher Program

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More than 770,000 people in the United States are homeless (Delouya 2024). At the same time, Americans with housing are struggling to pay for it more than ever—according to the Census Bureau, almost half of American renter households experience rent burden, spending over 30 percent of their income on rent or mortgage payments (US Census Bureau 2024).

For decades, the Housing Choice Voucher Program (HCVP) has sought to address issues of homelessness and rent burden. Although the program subsidizes rents for 5 million people and provides outsize benefits for its recipients, certain design choices and funding shortfalls have prevented it from fully realizing its potential (McCarty 2023; Gubits et al. 2016).

This brief will provide an overview of the HCVP, detailing its strengths and weaknesses, providing suggestions for improvement, and looking forward to the future.

BACKGROUND

The HCVP was created in 1998 through legislation that merged two 1970s-era rental assistance mechanisms—certificates and vouchers—into one program (McCarty 2023). The HCVP is funded by the federal government but managed by public housing authorities (PHAs) at the state and local level. These PHAs provide vouchers to people with low or very low incomes to help them pay for housing of their choosing in the private market (Center on Budget and

Policy Priorities 2024). “Very low income” is generally defined as income at or below 50 percent of the local area median income (AMI), while “extremely low income” is defined as income at or below 30 percent of the local AMI or the federal poverty guidelines—whichever is greater (McCarty 2023).

Households contribute 30 percent of their adjusted income or 10 percent of their gross income—whichever is greater—toward rent and utilities. The voucher then covers between 90 and 110 percent of the local Fair Market Rent (FMR), adjusted based on the number of bedrooms. If a unit’s rent is greater than the amount of the tenant contribution and voucher combined, the tenant must pay the difference (McCarty 2023).

Vouchers can be used within and across PHA jurisdictions and are not time-limited. Households can receive voucher subsidies until six months after their income increases to a level that makes them ineligible (McCarty 2023).

PROGRAM BENEFITS

The HCVP is the largest of the Department of Housing and Urban Development (HUD)’s rental assistance programs, subsidizing the rents of over 2.3 million households (McCarty 2023).

Compared to other federal rental assistance recipients, voucher recipients experience significantly reduced rent burden, food insecurity, psychological distress, instances in homelessness, and domestic violence incidents, while children of recipients experience improved educational and behavioral outcomes (Ellen 2020; Gubits et al. 2016). Such effects appear to be long-lasting—one study found that over a 10-to-15-year period, voucher recipients experienced improvement in overall neighborhood outcomes across social, economic, educational, health, and environmental domains, compared to controls in public housing (Kim et al. 2022).

The positive effects experienced by voucher recipients spill over into broader society. Research indicates that PHA spending on vouchers leads to significant economic returns to the communities in which they are located. For instance, $1 million in PHA spending on operations and vouchers yields an additional $1 million in spending in the local economy (Council of Large Public Housing Authorities 2018).

PROGRAM GAPS

Despite these benefits, the HCVP poses equity concerns. The program’s design makes it potentially vulnerable to discrimination by private landlords and can lead to inequitable outcomes as a result of market constraints.

The average waitlist for a housing choice voucher is approximately 2.5 years, primarily due to shortages of available affordable housing (McCarty 2023). 30 percent of voucher holders live in rental housing that is also subsidized by other means—either the Low-Income Housing Tax Credit or project-based Section 8. Research suggests this is because alternatives are often not readily available in the private market. Because such subsidized housing is often located in lower-income neighborhoods, this can indirectly segregate voucher holders into neighborhoods where there is less opportunity for economic advancement—despite the HCVP's intended flexibility to move anywhere. Voucher holders are disproportionately likely to be members of protected classes, such as racial and ethnic minorities, so this inequitable distribution indirectly deepens structural inequities (Tighe, Hatch, and Mead 2016).

Source of income (SOI) discrimination against voucher holders is another problem plaguing the HCVP. SOI discrimination occurs when landlords refuse to rent to prospective tenants based on how they receive income (e.g. through a job, pension, alimony, or government assistance) rather than ability to pay. Although laws exist against general SOI discrimination in 17 states, some of those laws specifically exclude voucher recipients, ultimately leading to only 1 in 3 voucher households protected by SOI laws (Bell, Sard, and Koepnick 2018; US Department of Housing and Urban Development n.d.-b).

SUGGESTIONS FOR IMPROVEMENT

The HCVP's efficacy is hamstrung by its lack of funding—currently, only 1 out of 4 eligible households receives vouchers, leaving millions of rent-burdened people without aid (McCarty 2023).

A recent study by the Urban Institute found that if vouchers were fully funded (meaning all eligible households received them) and fully accepted (meaning all households with vouchers were able to find a landlord to accept their vouchers), the share of people living below the Supplemental Poverty Measure (SPM) threshold would decrease by 13 percent. Child poverty would drop by 23 percent, while poverty among Hispanic and Black populations would decrease by 19 percent and 15 percent, respectively. Although full funding may be politically challenging, requiring an additional $118 billion in government spending, the breadth of the impact across racial groups, state lines, and age groups suggests that increasing funding, even incrementally, would be useful to mitigate poverty (Wheaton et al. 2023).

Another way to improve the effectiveness of the HCVP is to expand the Small Area Fair Market Rent (SAFMR) program. Under the standard HCVP model, voucher amounts are calculated based on the average rental prices for an entire metropolitan area (known as the Fair Market Rent, or FMR). Because rents can vary dramatically within a single metropolitan area, this method of determining voucher amounts can make it difficult for recipients to afford renting in higher-cost neighborhoods. Under the SAFMR model, voucher amounts are calculated based on average rental prices by zip code (the "small area" referenced in the program's title). This approach makes it easier for voucher holders to move into neighborhoods with higher-quality housing, schools, and economic opportunities (US Department of Housing and Urban Development n.d.-a; Reina, Acolin, and Bostic 2019).

Finally, to improve equity, passing legislative bans on source of income (SOI) discrimination in more states and municipalities should be a priority. Research indicates that SOI laws increase housing voucher use and may help voucher holders access higher-opportunity neighborhoods (Bell, Sard, and Koepnick 2018).

PROGRAM FUTURE

Despite promising avenues for change, future support for the HCVP remains uncertain as the U.S. government transitions into a new presidential administration. The previous Trump administration was largely unsupportive of the HCVP and HUD more broadly—for example, in 2017, the administration attempted to cut the HCVP by $1 billion and made several unsuccessful attempts to cut HUD's budget by 20 percent (Rice 2017; Heard and Ortiz 2024).

President Trump's newly appointed HUD director, Scott Turner, has a mixed record on affordable housing. While serving in the Texas House of Representatives, Turner opposed expanding affordable rental housing and supported a bill allowing landlords to refuse to rent apartments to applicants because they received federal housing assistance (Coburn and Kroll 2024). In his Senate confirmation hearing, Turner indicated a desire to make housing choice vouchers easier for landlords to accept but did not specify strategies for doing so. He also declined to state whether he would oppose future cuts to HUD's budget (Ludden 2025).

Ultimately, decreasing homelessness and housing insecurity need not be a partisan issue. In the 118th Congress, several bipartisan bills were introduced to expand and improve the HCVP. These included the Choice in Affordable Housing Act (S. 32, 118th Cong., introduced January 24, 2023), which would encourage landlord participation through one-time incentive payments, security deposit payments, and other monetary compensation, and the Family Stability and Opportunity Vouchers Act (S. 1257, 118th Cong., introduced April 25, 2023), which would fund 250,000 new vouchers for low-income families with young children. In a January 16, 2025, open letter, the Bipartisan Policy Center urged policymakers to consider these bills, among other bills supporting affordable housing.

As homelessness and housing insecurity continue to rise, affordable housing will remain a critical policy issue. Expanding the size, reach, and tenant protections of the HCVP are important steps to help address this issue.

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