

Resolution No. 2

Date: 10/15/2021

City: Houston, TX

NAHB Resolution

Title: Housing Choice Vouchers and “Source of Income” Laws
Sponsor: Housing Finance Committee
Submitter: Steve Lawson

WHEREAS, the Section 8 Housing Choice Voucher (HCV) program provides rental assistance to more than two million households living in privately owned housing;

WHEREAS, the HCV program is federally funded through the U.S. Department of Housing and Urban Development (HUD) but is administered locally through public housing agencies (PHAs);

WHEREAS, many National Association of Home Builders (NAHB) members rent to HCV holders, but some property owners will not accept HCVs due to the administrative, regulatory and financial burdens associated with the program and (PHA) requirements;

WHEREAS, NAHB has advocated for numerous improvements in HCV funding, unit inspections, Fair Market Rents / Small Area Fair Market Rents and other reforms which would improve the program administration and incent greater participation by housing providers;

WHEREAS, HCV program requirements and administration by local PHAs place significant burdens on participating landlords that are not borne by landlords who rent to unsubsidized tenants in standard leasing transactions;

WHEREAS, the HCV program creates many challenges that make it more expensive to rent to an HCV household than an unsubsidized household and potentially undermine the property owners’ ability to manage risk, including:

- A tenancy approval process prescribed by the PHA,
- Mandatory approval of the owner’s preferred lease by the PHA,
- Execution of a “tenancy addendum” to be attached to every voucher holder’s lease that prescribes and overrides lease terms,
- Execution of a lengthy Housing Assistance Payments (HAP) contract between the owner and PHA that spells out additional requirements the property owner must satisfy as a condition of the HCV,
- Rents are subject to the PHA’s “reasonableness” determination,

- Possible delays and inconsistencies in disbursement of subsidies, and even arbitrary withholding of payments,
- Limits on rent increases, which are subject to approval by the PHA and often do not keep pace with local market rates,
- Inspection delays and duplicative requirements,
- Lack of support from program administrators to assist housing providers in addressing resident noncompliance, and
- Inconsistency in service and interactions with program administrators.

WHEREAS, the cost and risk burden of these program challenges are not addressed in HCV rent payments;

WHEREAS, the Section 42 requirement for Low Income Housing Tax Credit (LIHTC) property owners to accept HCVs represents an unfunded mandate;

WHEREAS, state and local governments have enacted laws, including prohibitions against so-called "source of income discrimination," that make it illegal for a private owner to refuse to rent to an HCV household;

WHEREAS, members of Congress have proposed legislation to amend the Fair Housing Act by prohibiting "source of income discrimination;"

WHEREAS, adding "source of income" protections to the Fair Housing Act would subject rental housing providers to frivolous fair housing complaints and potentially costly administrative and regulatory mandates; and

WHEREAS, a federal mandate that requires private housing owners to accept HCVs would relieve Congress, HUD and public housing agencies (PHAs) from the burden of attracting and retaining landlords' participation, thus abdicating their responsibility to improve the HCV program and shifting the financial and administrative burdens from the federal government to private housing owners,

NOW, THEREFORE, BE IT RESOLVED that National Association of Home Builders (NAHB) strongly support the Section 8 Housing Choice Voucher (HCV) Program, which provides essential rental assistance to more than two million low-income households who have few other options for securing affordable housing;

BE IT FURTHER RESOLVED that NAHB strongly support the Section 8 HCV Program and efforts to reduce regulatory and administrative burdens, increase funding, incent voluntary participation by more housing providers and retain the voluntary participation of property owners who currently rent their units to HCV holders;

BE IT FURTHER RESOLVED that NAHB will continue working with Congress and the Administration to improve the HCV Program;

BE IT FURTHER RESOLVED many NAHB members rent their units to HCV families, and NAHB strongly support housing providers' voluntary participation in the HCV Program;

BE IT FURTHER RESOLVED that NAHB support the rights of property owners to make decisions, consistent with federal, state and local laws, that are in the best interests of their businesses; and

BE IT FURTHER RESOLVED that NAHB strongly oppose any effort to mandate property owners' participation in the HCV program, including "source of income 'discrimination'" laws.

Leadership Council Action:	Approved
Resolutions Committee Action:	Recommends Approval
Housing Finance Committee Action:	Recommends Approval
State and Local Government Affairs Committee Action:	Recommends Approval
Federal Government Affairs Committee Action:	Recommends Approval
Multifamily Council Board of Trustees Action:	No Action Taken Due to Lack of Quorum
Multifamily Finance Subcommittee of the Housing Finance Committee Action:	Recommends Approval
Legal Action Committee Action:	Recommends Approval