

## **Section 8 Voucher Reform Act of 2007**

### **H.R. 1851**

The Section 8 Voucher Reform Act (SEVRA) makes a number of changes to the Section 8 voucher and project-based and public housing programs to expand rental assistance opportunities, improve program efficiencies, and encourage family self-sufficiency:

- **Voucher Funding Formula.** The bill reforms the Section 8 voucher funding allocation formula in order to increase the number of families receiving vouchers, by eliminating inefficiencies that have resulted in \$1.4 billion in unused funds and through incentives for housing agencies to use funds to assist more families. The bill protects housing agencies adversely affected by formula changes, by allowing them to retain and use voucher reserves during the transition period to maintain the number of families being assisted.
- **Incremental Section 8 Housing Vouchers.** The bill authorizes 20,000 incremental vouchers in each of the next 5 years, for a total of 100,000 new vouchers.
- **Self-Sufficiency.** The bill includes a number of provisions to encourage economic self-sufficiency for low income voucher and public housing families, including (a) income disregards to reduce rent disincentives related to increases in earned income, (b) targeting changes to make it easier for low income working families in rural areas to receive a voucher, (c) an improved funding mechanism for family self-sufficiency coordinators, who help families find employment, (d) income exemptions for adult full time student dependents and for education savings accounts, (e) helping low income families improve their credit score by allowing reporting of voucher and public housing rent payments.
- **Homeownership.** The bill permits housing agencies to let a family use a housing voucher as a down payment on a first-time home purchase. The bill corrects statutory impediments to use of a voucher for purchase of a manufactured home on leased land.
- **Simplification.** The bill changes rent calculation, recertification, and inspection rules for the voucher, public housing, and project-based Section 8 programs, to reduce costs and compliance burdens for public housing agencies, landlords, and families. These changes are made while maintaining rules that target scarce resources to those families most in need and while maintaining rent calculation rules that ensure that rents are affordable.
- **Tenant Protections.** The bill makes a number of changes for the benefit of federally assisted families, including provisions to preserve voucher families' ability to move to other areas, to address excessive voucher rent burdens, to provide for more accurate fair market rent calculations, and to protect voucher holders in units that are in need of repair.
- **Housing Innovation Program.** The bill expands and renames the Moving to Work Program, which gives a limited number of housing agencies flexibility to experiment with development and rent policies, and strengthens the program's evaluation process.
- **Project-Basing of Vouchers.** The bill includes changes to make it easier for housing agencies to attach vouchers to housing units – an important option in tight rental markets and in developing supportive housing for seniors, disabled persons and homeless persons.

