



Fiscal Year (FY) 2025 Public Housing and Section 8 Program Funding Needs (March 2024)

The National Association of Housing and Redevelopment Officials (NAHRO), the Public Housing Authorities Directors Association (PHADA), the Council of Large Public Housing Authorities (CLPHA), the MTW Collaborative, and the Local Housing Administrators Coalition (LHAC) are pleased to release funding recommendations for Office of Public and Indian Housing and Office of Housing programs administered by the U.S. Department of Housing and Urban Development. These programs provide resources essential to ensuring that seniors, families, veterans, and persons with disabilities have access to decent, safe, and sanitary affordable housing to help stabilize and improve the quality of their lives.

Discretionary Account Name	FY 2025 Funding Recommendations (in millions)
Public Housing Operating Fund	\$5,838
Operating Fund Shortfall	\$377
Public Housing Capital Fund	\$5,000
Public Housing Infrastructure	\$70,000
Emergency Capital Needs	\$135
Choice Neighborhoods Initiative	\$150
Section 8 Tenant-Based Housing Choice Voucher HAP Renewals	\$30,617
Section 8 Administrative Fees & Additional Administrative Fees	\$3,217
Tenant Protection Vouchers	\$500
Incremental Vouchers	\$241
Rental Assistance Demonstration	\$100
Section 8 Project-Based Rental Assistance	\$16,686
Family Self-Sufficiency (FSS) Program	\$200
Resident Opportunity and Self-Sufficiency (ROSS)	\$40
Jobs Plus	\$15
Community Development Block Grant (CDBG) Program	\$4,200
Home Investment Partnerships Program (HOME)	\$2,500

Public Housing Operating Fund: \$5.838 billion to support public housing operations. This amount considers a recent proration estimate from HUD as well as recent funding concerns due to the Operating Fund Formula using rents charged and not collected and increases in program costs due to inflation and increased insurance costs. Funding for the Operating Fund is critical so that PHAs can continue to maintain operations and support the needs of residents.

Operating Fund Shortfall: \$377 million to address the total Operating Fund shortfall reported in FY23. In recent years, Congress has provided a mere \$25 million annually to address these growing needs which severely impact operations for many agencies and put them at risk of financial insolvency.

Rental Assistance Demonstration (RAD): \$100 million to support the conversion of public housing properties that are unable to convert using only the funds provided through existing appropriations and tenant rents. Note that the President's budget includes this from other accounts.

Public Housing Capital Fund: \$5 billion to be distributed by formula. This amount would allow PHAs to address their newly accruing needs, which HUD estimated at \$3.4 billion annually in 2010. This estimate has been adjusted for inflation. These dollars represent an investment in public housing and local economies.

Public Housing Infrastructure: \$70 billion to address the capital needs backlog, which continues to grow and is estimated to be more than \$70 billion. Funding would enable leveraging of other sources of financing such as Low-Income Housing Tax Credits to preserve significantly more affordable housing. It is incumbent upon HUD to complete its own capital needs assessment and share current estimates and analysis with the industry groups. Public Housing receives the lowest funding per unit of any of HUD's rental assistance programs, despite serving the same low-income populations.

Public Housing is also unique because it is permanently affordable, with no threat of opt-outs. According to HUD, approximately 10,000 units per year are lost due to disrepair.

Emergency Capital Needs: \$135 million to address needs resulting from non-Presidentially declared disasters and other emergencies, including safety and security measures related to crime and upgrading of smoke alarms and carbon monoxide detectors. These funds allow PHAs to pay for unforeseen capital emergencies that could not otherwise be supported through operating or capital funding. As the Department implements its National Standards for the Physical Inspection of Real Estate (NSPIRE) standards, these funds will be crucial to ensure the safety of public housing residents.

Tenant Protection Vouchers (TPVs): \$500 million to provide all eligible households with a Tenant Protection Voucher for FY 2025. The final enacted number should be reflective of current TPV needs and all subsequent legislative actions and HUD initiatives.

Choice Neighborhoods Initiative (CNI): \$150 million with \$100 million designated specifically for PHAs. As has been the practice in previous years, the associations recommend that approximately two-thirds of these funds be reserved for applications in which a PHA is the lead applicant or co-applicant. Large capital grants through programs like Choice Neighborhoods are among the most effective tools to help PHAs address the needs of severely distressed public housing developments. These funds attract private capital and transform communities into thriving, mixed-income neighborhoods with reduced crime and increased opportunities for residents. The groups note that the initiative needs to be streamlined to address PHA obstacles to participation.

Section 8 Tenant-Based Housing Choice Voucher Housing Assistance Payment (HAP) Renewals: \$30.617 billion to ensure the renewal of assistance for all voucher-assisted low-income households served. The associations encourage HUD to provide ample public warning before making changes to the methodology to determine Renewal Funding Inflation Factors (RFIFs). This account does not include any Mainstream voucher funding.

Section 8 Administrative Fees & Additional Administrative Fees: \$3.217 billion to support effective and efficient management of the HCV program by PHAs. At this time, we believe this figure is sufficient to fund all PHAs at 100 percent of their eligibility based on the fee rates formula in effect immediately prior to the enactment of the Quality Housing and Work Responsibility Act of 1998 (QHWRA). This amount includes \$30 million in special administrative fees funding to support the administration of tenant protection vouchers and special purpose vouchers, including—but not limited to—HUD-Veterans Assisted Supportive Housing (VASH) and Family Unification Program (FUP) Vouchers.

Incremental Vouchers: \$241 million for 20,000 general-purpose vouchers that PHAs should have maximum flexibility in utilizing according to the needs of their communities. These vouchers should be subject to MTW single-fund authority.

Family Self-Sufficiency (FSS) Program: \$200 million with \$165 million reserved for PHAs. This funding level is needed to maintain funding for all existing program coordinators in the consolidated Public Housing and Section 8 FSS programs. Increased funding would allow for expansion of FSS in voucher and public housing programs.

Resident Opportunity and Self-Sufficiency (ROSS): \$40 million to renew all existing service coordinators. Through this important program, PHAs promote local strategies linking public housing residents with supportive services, empowerment activities, and resources supporting economic self-sufficiency.

Jobs-Plus Initiative: \$15 million in funding for this evidence-based strategy that increases the employment opportunities and earnings of public housing residents through employment services, rent-based work incentives, and community supports for work.

Section 8 Project-Based Rental Assistance (PBRA): \$16.686 billion to fund renewal of all contracts based on 12-months of funding needs rather than based on quarterly increments throughout each year. The associations support the application of Annual Operating Cost Adjustment Factors (OCAFs) for FY 2025 for Sections 8, 202, 811 and 236 developments, including RAD-PBRA converted properties.

Community Development Block Grant Program (CDBG): \$4.2 billion to expand economic opportunities and improve quality of life for low- and moderate-income persons through activities that address infrastructure needs, eliminate slums or blight, address community health and safety needs and support underserved communities through an array of social services and greater economic opportunities.

Home Investment Partnerships Program (HOME): \$2.5 billion to increase the production of affordable housing through the acquisition, new construction, and rehabilitation of affordable housing units for sale or rent.

Mandatory Funding in the President's FY25 Budget: The National Association of Housing and Redevelopment Officials (NAHRO), the Public Housing Authorities Directors Association (PHADA), the Council of Large Public Housing Authorities (CLPHA), the MTW Collaborative, and the Local Housing Administrators Coalition (LHAC) support mandatory funding for housing programs.