

HOUSING CHOICE VOUCHER MOBILITY DEMONSTRATION  
ACT OF 2018

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JULY 10, 2018.—Committed to the Committee of the Whole House on the State of  
the Union and ordered to be printed

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Mr. HENSARLING, from the Committee on Financial Services,  
submitted the following

R E P O R T

[To accompany H.R. 5793]

[Including cost estimate of the Congressional Budget Office]

The Committee on Financial Services, to whom was referred the bill (H.R. 5793) to authorize the Secretary of Housing and Urban Development to carry out a housing choice voucher mobility demonstration to encourage families receiving such voucher assistance to move to lower-poverty areas and expand access to opportunity areas, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE AND SUMMARY

On May 15, 2018, Rep. Sean Duffy introduced H.R. 5793, the “Housing Choice Voucher Mobility Demonstration Act of 2018”. The bill would create a demonstration program in which the administration of housing choice vouchers would be designed to encourage movement to lower-poverty areas with expanded employment or educational opportunities. To ensure the demonstration has the greatest impact, H.R. 5793 would require the Department of Housing and Urban Development (HUD) to award demonstration program funds on a competitive basis and prioritize regional collaborations among public housing agencies (PHAs) that have high concentrations of voucher holders in low-opportunity neighborhoods, a high-performing Family Self Sufficiency (FSS) program, or a strong regional collaboration including one or more small housing agencies, among other factors. Five years after implementation of the demonstration program, the HUD Secretary will submit a report to Congress that evaluates the effectiveness of the program.

## BACKGROUND AND NEED FOR LEGISLATION

The Housing Choice Voucher (HCV) program is the federal government's major program to assist very low-income families, the elderly, and persons with disabilities afford decent, safe, and sanitary housing in the private market. The HCV program is authorized under Section 8(o) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)) and is administered locally by approximately 2,200 PHAs.

The HCV program partners with local PHAs and landlords to provide housing to our nation's neediest citizens. Of the families currently receiving HCV assistance, over half are either elderly or have a disabled head of household, and 75 percent are extremely low-income with incomes at or below 30 percent of the area median income. A unique aspect of the HCV program is that it is designed to work in partnership, rather than in competition, with the private rental market. HCV assistance is primarily tenant-based assistance, which means the assistance is not permanently tied to a particular unit or project, but rather to an individual family.

The family is responsible for finding a suitable rental unit with an owner who is willing to participate in the program. The PHA pays a monthly housing assistance payment directly to the owner on behalf of the family. That payment helps cover the affordability gap between what very low-income families can afford to pay for rent, and the actual rent charged. The HCV program relies on this private sector partnership to effectively and efficiently provide affordable housing opportunities in the local community rather than depend on direct government intervention.

The HCV program's design is to provide financial assistance to households to enable them to choose the housing and neighborhood that best suits their needs. Evidence underscores that low-income children whose families move from very poor neighborhoods to lower-poverty areas have higher earnings as adults—and are less likely to become single parents and more likely to attend college—than children that remain in less-advantageous neighborhoods. Yet as currently administered, housing vouchers do not effectively enable families to access neighborhoods with greater opportunities that can help prevent intergenerational poverty.

HUD contracts with about 2,200 PHAs to administer housing vouchers. These agencies administer as few as four and as many as 99,200 vouchers.<sup>1</sup> Beyond consideration of population and housing need, differences in municipal and county governance as well as state politics have led to this great variation in PHAs' scale, as well as in their geographic coverage. The result is a complex network of program administration, where multiple agencies, both large and small, often administer vouchers in the same metro areas, sometime with overlapping jurisdictions. The complexity and redundancy of program administration is inefficient, increases program costs, makes federal oversight more difficult, and reduces housing opportunities for families.

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<sup>1</sup>Testimony of Barbara Sard, Center on Budget and Policy Priorities (CBPP), Committee on Financial Services, Subcommittee on Housing and Insurance, Hearing entitled, "Housing Choice Voucher Program: An Oversight and Review of Legislative Proposals," April 17, 2018, available at <https://financialservices.house.gov/uploadedfiles/hhrg-115-ba04-wstate-bsard-20180417.pdf>

In most metropolitan areas, one agency administers the HCV program in the central city and one or more different agencies serve suburban cities and towns. This pattern is the case in 97 of the 100 largest metro areas, where 71 percent of households in the HCV program lived in 2015. In 35 of the 100 largest metro areas, voucher administration is divided among ten or more agencies. This is the case even in mid-size metro areas such as Providence, Rhode Island, and Albany, New York, each of which has at least 35 agencies administering the HCV program.<sup>2</sup>

H.R. 5793, the Voucher Mobility Demonstration Act could help the voucher program reach its full potential in three ways: (1) it would encourage local housing agencies to form regional collaboratives to reduce barriers preventing families from moving to higher-opportunity areas. Such collaboratives also have potential to reduce long-run operating costs; (2) By providing the HUD Secretary with the authority to waive or specify alternative requirements for certain statutory provisions necessary to implement a regional plan, the bill could make regional operation of the HCV program more feasible; and, (3) It provides a framework for learning what types of mobility-related services are most cost-effective at increasing the share of HCV families with children living in higher-opportunity areas.

#### HEARINGS

The Committee on Financial Services, Subcommittee on Housing and Insurance held a hearing examining matters relating to H.R. 5793 on April 17, 2018.

#### COMMITTEE CONSIDERATION

The Committee on Financial Services met in open session on May 22, 2018, and ordered H.R. 5793 to be reported favorably to the House by a recorded vote of 53 yeas to 0 nays (recorded vote no. FC-179), a quorum being present.

#### COMMITTEE VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires the Committee to list the record votes on the motion to report legislation and amendments thereto. The sole recorded vote was on a motion by Chairman Hensarling to report the bill favorably to the House. The motion was agreed to by a recorded vote of 53 yeas to 0 nays (Record vote no. FC-179), a quorum being present.

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<sup>2</sup> CBPP analysis of HUD, *2015 Picture of Subsidized Households*. In 278 out of the 381 metro areas in the United States and territories, two or more PHAs administered HCV programs; a single agency served only a little more than one-fourth of metro areas. Sard and Thrope. (Appendix 3 has data for each of the largest 100 metro areas.)

## Record vote no. FC-179

Representative	Yea	Nay	Present	Representative	Yea	Nay	Present
Mr. Hensarling .....	X			Ms. Maxine Waters (CA) .....	X		
Mr. McHenry .....	X			Mrs. Carolyn B. Maloney (NY) ..	X		
Mr. King .....	X			Ms. Velázquez .....	X		
Mr. Royce (CA) .....	X			Mr. Sherman .....	X		
Mr. Lucas .....	X			Mr. Meeks .....	X		
Mr. Pearce .....				Mr. Capuano .....			
Mr. Posey .....	X			Mr. Clay .....	X		
Mr. Luetkemeyer .....	X			Mr. Lynch .....	X		
Mr. Huizenga .....	X			Mr. David Scott (GA) .....	X		
Mr. Duffy .....	X			Mr. Al Green (TX) .....	X		
Mr. Stivers .....				Mr. Cleaver .....	X		
Mr. Hultgren .....	X			Ms. Moore .....			
Mr. Ross .....	X			Mr. Ellison .....	X		
Mr. Pittenger .....	X			Mr. Perlmutter .....	X		
Mrs. Wagner .....	X			Mr. Himes .....	X		
Mr. Barr .....	X			Mr. Foster .....	X		
Mr. Rothfus .....	X			Mr. Kildee .....	X		
Mr. Messer .....	X			Mr. Delaney .....			
Mr. Tipton .....	X			Ms. Sinema .....	X		
Mr. Williams .....	X			Mrs. Beatty .....			
Mr. Poliquin .....	X			Mr. Heck .....	X		
Mrs. Love .....	X			Mr. Vargas .....	X		
Mr. Hill .....	X			Mr. Gottheimer .....	X		
Mr. Emmer .....	X			Mr. Gonzalez (TX) .....	X		
Mr. Zeidin .....	X			Mr. Crist .....	X		
Mr. Trott .....	X			Mr. Kihuen .....			
Mr. Loudermilk .....	X						
Mr. Mooney (WV) .....	X						
Mr. MacArthur .....	X						
Mr. Davidson .....	X						
Mr. Budd .....	X						
Mr. Kustoff (TN) .....	X						
Ms. Tenney .....	X						
Mr. Hollingsworth .....	X						

## COMMITTEE OVERSIGHT FINDINGS

Pursuant to clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the findings and recommendations of the Committee based on oversight activities under clause 2(b)(1) of rule X of the Rules of the House of Representatives, are incorporated in the descriptive portions of this report.

## PERFORMANCE GOALS AND OBJECTIVES

Pursuant to clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the Committee states that H.R. 5793 authorizes the Secretary of Housing and Urban Development to carry out a housing choice voucher mobility demonstration to encourage families receiving such voucher assistance to move to lower-poverty areas and expand access to opportunity areas.

## NEW BUDGET AUTHORITY, ENTITLEMENT AUTHORITY, AND TAX EXPENDITURES

In compliance with clause 3(c)(2) of rule XIII of the Rules of the House of Representatives, the Committee adopts as its own the estimate of new budget authority, entitlement authority, or tax expenditures or revenues contained in the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974.

## CONGRESSIONAL BUDGET OFFICE ESTIMATES

Pursuant to clause 3(c)(3) of rule XIII of the Rules of the House of Representatives, the following is the cost estimate provided by the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974:

U.S. CONGRESS,  
CONGRESSIONAL BUDGET OFFICE,  
*Washington, DC, June 25, 2018.*

Hon. JEB HENSARLING,  
*Chairman, Committee on Financial Services,  
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 5793, the Housing Choice Voucher Mobility Demonstration Act of 2018.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Elizabeth Cove Delisle.

Sincerely,

KEITH HALL,  
*Director.*

Enclosure.

*H.R. 5793—Housing Choice Voucher Mobility Demonstration Act of 2018*

H.R. 5793 would allow the Secretary of Housing and Urban Development to establish a demonstration program to encourage participants in the Section 8 Housing Choice Voucher program to move to areas with lower rates of poverty. Families with young children would have a higher priority for participation in the program.

Households that participate in the demonstration could receive assistance such as counseling and payments for security deposits.

H.R. 5793 does not specify the number of households that should participate in the demonstration nor does it authorize a funding level; consequently, the amount that would be spent on the program is uncertain. For purposes of this estimate, CBO assumes that the bill would authorize a one-time appropriation to be spent over a 5-year demonstration period. Using the amount allocated in H.R. 6072 (the Transportation, Housing and Urban Development, and Related Agencies Appropriations Act, as reported by the House Committee on Appropriations on June 12, 2018) for that demonstration project, CBO estimates that implementing H.R. 5793 would cost about \$50 million over the 2019–2023 period, assuming appropriation of the necessary amounts.

Enacting the bill would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

CBO estimates that enacting H.R. 5793 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2029.

H.R. 5793 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

The CBO staff contact for this estimate is Elizabeth Cove Delisle. The estimate was reviewed by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.

#### FEDERAL MANDATES STATEMENT

This information is provided in accordance with section 423 of the Unfunded Mandates Reform Act of 1995.

The Committee has determined that the bill does not contain Federal mandates on the private sector. The Committee has determined that the bill does not impose a Federal intergovernmental mandate on State, local, or tribal governments.

#### ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act were created by this legislation.

#### APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of the section 102(b)(3) of the Congressional Accountability Act.

#### EARMARK IDENTIFICATION

With respect to clause 9 of rule XXI of the Rules of the House of Representatives, the Committee has carefully reviewed the provisions of the bill and states that the provisions of the bill do not contain any congressional earmarks, limited tax benefits, or limited tariff benefits within the meaning of the rule.

#### DUPLICATION OF FEDERAL PROGRAMS

In compliance with clause 3(c)(5) of rule XIII of the Rules of the House of Representatives, the Committee states that no provision of the bill establishes or reauthorizes: (1) a program of the Federal

Government known to be duplicative of another Federal program; (2) a program included in any report from the Government Accountability Office to Congress pursuant to section 21 of Public Law 111–139; or (3) a program related to a program identified in the most recent Catalog of Federal Domestic Assistance, published pursuant to the Federal Program Information Act (Pub. L. No. 95–220, as amended by Pub. L. No. 98–169).

#### DISCLOSURE OF DIRECTED RULEMAKING

Pursuant to section 3(i) of H. Res. 5, (115th Congress), the following statement is made concerning directed rule makings: The Committee estimates that the bill requires no directed rule makings within the meaning of such section.

#### SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

##### *Section 1. Short title*

This section cites H.R. 5793 as the “Housing Choice Voucher Mobility Demonstration Act of 2018.”

##### *Section 2. Housing Choice Voucher Mobility Demonstration*

This section authorizes the Secretary of Housing and Urban Development (HUD) to create and execute a mobility demonstration program to enable public housing agencies to administer housing choice vouchers in a manner designed to encourage families receiving voucher assistance to move to lower-poverty areas and expand access to opportunity areas.

The Secretary must establish competitive selection criteria for eligible public housing agencies to participate in the demonstration where such agencies serve areas with high concentrations of holders of rental assistance vouchers in poor, low-opportunity neighborhoods, among other selection factors. PHAs would be encouraged to create geographical consortia including small and large agencies with the goal of consolidating mobility focused operations.

Each public housing agency applying to participate in the demonstration program must submit a Regional Housing Mobility Plan that: (1) identifies the public housing agencies that will participate under the Plan; (2) identifies any community-based organizations and non-profits that will participate under the Plan; (3) identifies any waivers requested for the execution of the Plan; (4) identifies any specific actions that public housing agencies will undertake to accomplish the goals of the demonstration; (5) specifies the criteria that the public housing agencies would use to identify opportunity areas; (6) provides for the establishment of priority and preferences for participating families; and, (7) complies with any other requirements established by the HUD Secretary.

Public housing agencies may use their Section 8 administrative fees and funding from private entities to provide mobility-related services in connection with the demonstration program.

To allow public housing agencies to implement and administer their Regional Housing Mobility Plans, the HUD Secretary may waive certain provisions of the U.S. Housing Act of 1937 relating to terms of lease and mobility requirements, the agency’s public housing plan, and the responsibility of a public housing agency to administer ported assistance.

The Secretary shall provide additional authority for public housing agencies in a selected region to form a consortium that has a single housing choice voucher funding contract. The Secretary may implement the demonstration program by notice.

Not later than five years after implementation of the regional housing mobility programs under the demonstration program, the HUD Secretary shall submit to Congress and publish in the Federal Register a report evaluating the effectiveness of the strategies pursued under the demonstration.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

H.R. 5793 does not repeal or amend any section of a statute. Therefore, the Office of Legislative Counsel did not prepare the report contemplated by Clause 3(e)(1)(B) of rule XIII of the House of Representatives.