Housing Access Voucher Program (HAVP)
Written Testimony of the NYU Furman Center

Before: Senate Standing Committee on Housing, Construction & Community Development
Senate Standing Committee on Social Services
Senate Standing Committee on Aging

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Chairs Cleare, Kavanagh and Persaud, members of the New York State Senate, thank you for the opportunity to submit testimony on the Housing Access Voucher Program (HAVP). The NYU Furman Center is a joint center of the NYU School of Law and the Robert F. Wagner Graduate School of Public Service. Since 1995, the NYU Furman Center has advanced research and debate on housing, neighborhoods and urban policy.

Our testimony today aims to inform policymakers about the costs and benefits associated with the proposal to establish a new voucher program, HAVP, that would be funded by the State of New York. The testimony includes the following sections:

1. First, our testimony will summarize our and other expert research on the federal Section 8 Housing Choice Voucher program. This is relevant because the HCV program has a similar, though not identical program design to the proposed bill, and academic research largely finds benefits to housing stability and other outcomes for participating households.
2. Second, our testimony will provide detail on the NYU Furman Center's findings related to the population served by Section 8 Housing Choice Vouchers in New York City from a report we published in May 2024.
3. Third, the testimony will summarize the NYU Furman Center's findings in a brief published in 2023, entitled "A State Level Rent Voucher Program," which assessed the potential costs associated with a prior iteration of this legislation that was introduced in 2021. This part of the testimony will also broadly describe factors that affect those original estimates, including what has changed with respect to HUD's fair market rent calculations and within the proposed legislation itself relative to the last version. These are important considerations when evaluating the NYU Furman Center's prior work to model the cost of the program.

I.   Benefits of Voucher Programs

First, existing literature, including research performed by the NYU Furman Center, points to positive outcomes associated with the Section 8 Housing Choice Voucher program. For example,

HUD's Family Options Study launched in 2008, which studied families with children experiencing homelessness, showed that households provided priority access to a voucher were significantly less likely to be homeless relative to a household with no priority access (given usual care) at both 20 months and 37 months after the intervention.[1] The gap was significant - while 38 percent of usual care households were homeless at 37 months only 17 percent of households provided priority access to a federal voucher were homeless at 37 months.[2] Households with priority access to vouchers saw decreases in psychological distress, intimate partner violence, number of schools attended by children, and food insecurity, compared to families given usual care - all positive outcomes.

Other research finds that the Section 8 Housing Choice Voucher program lowers rent burdens,[3] helps ameliorate overcrowding,[4] and improves access to better quality units.[5] Vouchers have also been shown to shield low-income households in metropolitan areas from rising rents (at least in part) and to help them end up in lower-poverty neighborhoods even as rents increase.[6]

Evidence also shows that vouchers create broad benefits for children. In the long-term, children in households with vouchers have been shown to have increased earnings in their 20s and lower incarceration rates.[7] One area where there are mixed results is on the voucher program's ability to deliver on the promise that low-income families with a voucher are able to live in neighborhoods with better access to economic opportunity and well-performing schools.[8] Voucher households tend to live in higher income neighborhoods compared to public housing residents and the average low-income household. However, they typically live in neighborhoods with higher poverty rates than households in LIHTC housing. In addition, voucher holders live near lower performing schools compared to those near other low-income households.

Voucher holders may live in less resource-rich neighborhoods due to a number of reasons, including a lack of information about housing options, higher search costs associated with moving to high opportunity neighborhoods, a lack of available units in high opportunity neighborhoods, source of income discrimination, or a lack of social ties discouraging families from looking in more expensive neighborhoods.

[1] Family Options Study: 3-Year Impacts of Housing and Services Interventions for Homeless Families. US Department of Housing and Urban Development, Office of Policy Development and Research, Oct. 2016, https://www.huduser.gov/portal/sites/default/files/pdf/ FamilyOptionsStudySummaryReport.pdf.

[2] Family Options Study: Short-Term Impacts of Housing and Services Interventions for Homeless Families. US Department of Housing and Urban Development, Office of Policy Development and Research, Jul. 2015, https://www.huduser.gov/portal/sites/default/files/pdf/ FamilyOptionsStudy_final.pdf.

[3] Jacob, Brian A., and Jens Ludwig. "The Effects of Housing Assistance on Labor Supply: Evidence from a Voucher Lottery." American Economic Review, vol. 102, no.1, 2012, pp. 272-304. https://doi.org/10.3386/w14570.

[4] Mills, Gregory, et al. Effects Of Housing Vouchers on Welfare Families. US Department of Housing and Urban Development, Sept. 2006, https://www.huduser.gov/publications/pdf/hsgvouchers_1_2011.pdf.

40. Colburn, Gregg. "The Effect of Market Conditions on the Housing Out

[5] Colburn, Gregg. "The Effect of Market Conditions on the Housing Outcomes of Subsidized Households: The Case of the US Voucher Programme." Housing Studies, vol. 34, no.9, 2019, pp. 1465-1484. https://doi.org/10.1080/02673037.2019.1581145.

[6] Ellen, Ingrid Gould, and Gerard Torrats-Espinosa. "Do Vouchers Protect Low-Income Households from Rising Rents?" Eastern Economic Journal, vol. 46, no. 2, 2020, pp.260-281

[7] Ellen, Ingrid Gould. "What Do We Know About Housing Choice Vouchers?" New York University Furman Center, July 2018, https://www.furmancenter.org/files/fact-sheets/HousingChoiceVouchers_ige.pdf
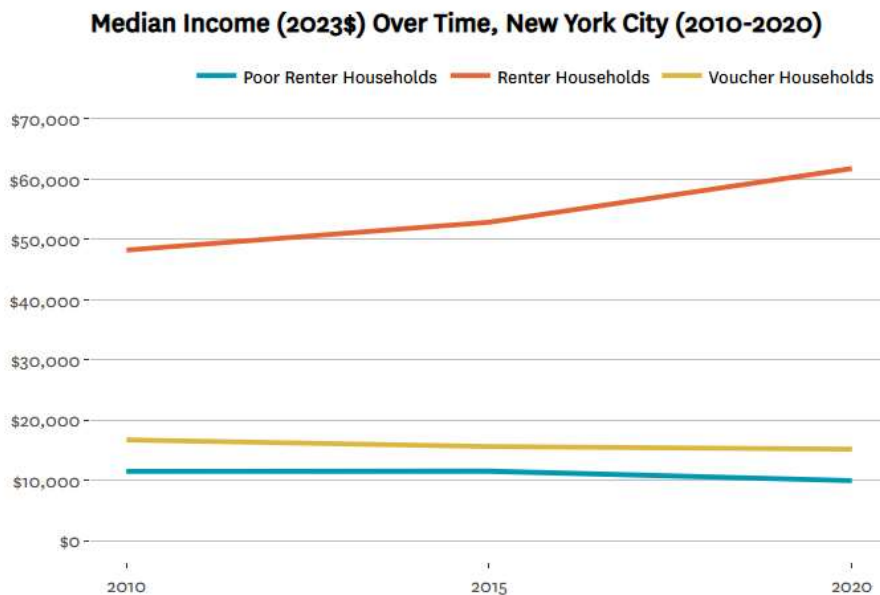
[8] Ellen, Ingrid Gould, et al. "Why Don't Housing Choice Voucher Recipients Live near Better Schools? Insights from Big Data." Journal of Policy Analysis and Management, vol. 35, no. 4, 2016, pp. 884–905, https://doi.org/10.1002/pam.21929.

The existing literature also does not quantify benefits with the same specificity as we can quantify costs. Still, the research is clear that vouchers improve housing stability for families and improve outcomes for children.

II.   Voucher Holders in New York City

In May 2024, the Furman Center published a report on how Housing Choice Vouchers are used in New York City's housing market by analyzing how 90,000 households use tenant-based Housing Choice Vouchers administered by NYCHA and HPD.[9] Key findings include:

1. **The Section 8 Housing Choice Voucher program serves an increasingly vulnerable population.** Even as the median incomes of renters in New York City increased (in particular between 2015 and 2020), the median income of voucher holders and other poor renter households was stagnant. Voucher holders have a combined median income of $13,255.

Median Income (2023$) Over Time, New York City (2010-2020)

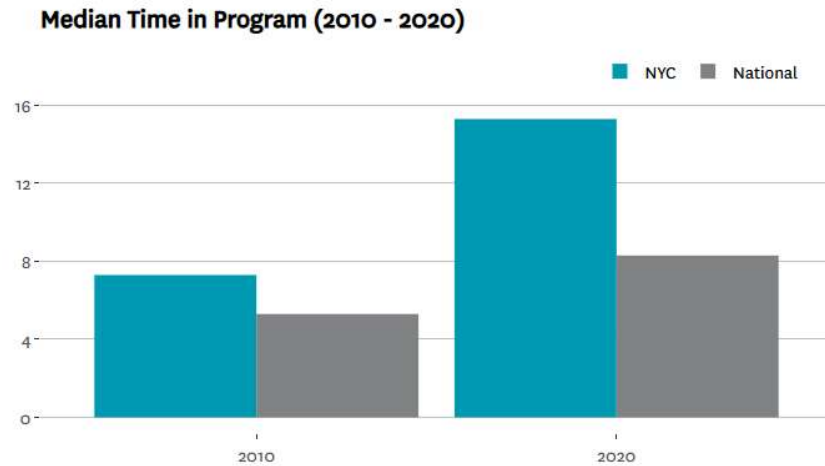Legend: Poor Renter Households — Renter Households — Voucher Households

Sources: U.S. Department of Housing and Urban Development (HUD) administrative data on public and assisted housing programs (2010 and 2020), American Community Survey (2008-2012, 2013-2017 and 2018-2022) via IPUMS USA, U.S. Bureau of Labor Statistics Consumer Price Index, NYU Furman Center.

2. **Voucher holders are staying in the program for longer periods of time, especially in New York.** Between 2010 and 2020, the median length of time in the program doubled for current voucher households in New York City from seven to 15

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[9] In addition, more than 7,000 tenant-based housing choice vouchers are administered by DHCR in New York City. Those vouchers are not included in the analysis covered below. For more information on methodology, please reference: O'Regan, Katherine M. et al. "State of the City 2023: The Use of Housing Choice Vouchers in New York City." NYU Furman Center, 2024. https://furmancenter.org/stateofthecity/view/the-use-of-housing-choice-vouchers-in-new-york-city

years. Nationally, the median length of time in the program increased by just three years from five to eight years.

Median Time in Program (2010 - 2020)

3. **Voucher holders have a significantly lower rent burden relative to other poor or very low-income New York City renters**. Vouchers are effective in lowering rent burdens. Nearly 90 percent of voucher holders spend 30 percent or less of their income on rent. By comparison, more than 80 percent of unassisted poor renter households are extremely rent burdened, spending more than 50 percent of their income on rent.
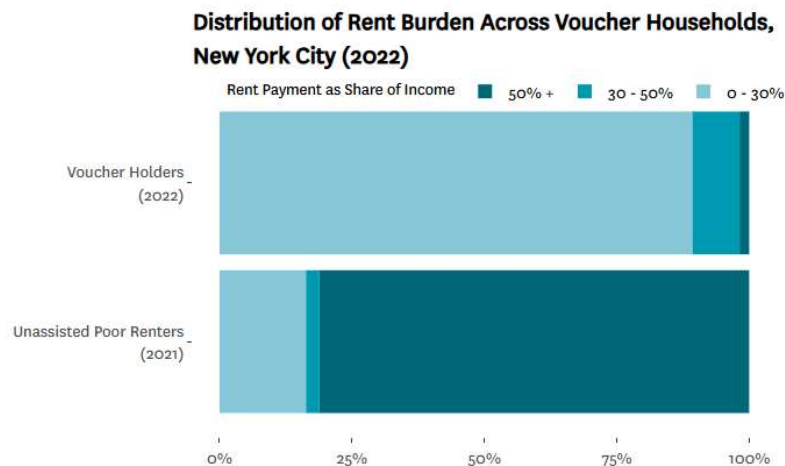
**Distribution of Rent Burden Across Voucher Households, New York City (2022)**

4. **Voucher households are more likely to be in buildings with rent stabilized units.** A voucher holder's typical building is more than half rent stabilized, compared to 20 percent rent stabilized for all households. That difference may be driven in part by the fact that many voucher holders live in subsidized

buildings, which tend to be entirely stabilized. HPD voucher households are typically in buildings with almost 10 percent more rent stabilized units than NYCHA HCV households, which may point to the role of subsidized, rent regulated properties in HPD's program. The table below, however, does not include the 11 percent of voucher households who live in one- and two-unit properties.

Average Building Characteristics for Households, by Type (2022)			
Category	All Households	Voucher Households, HPD	Voucher Households, NYCHA
Units Per Building	15	62	39
Year Built	1936	1942	1942
Share of Units that are Rent-Stabilized	19.8%	61.8%	52.0%

Sources: U.S. Department of Housing and Urban Development (HUD) administrative data on public and assisted housing programs (2022), NYC Department of City Planning MapPLUTO 23v1.1, NYU Furman Center.
Note: This table is limited to residential buildings with three or more units.

5. **Voucher holders are finding it increasingly difficult to find and lease a home on the private rental market.** The one-year "success rate," which measures whether a household is successfully using their voucher within one year, declined from 66 percent in 2018 to 53 percent in 2022 in New York City. Likewise, the median search time for voucher holders in New York City increased substantially to 171 days in 2022. Voucher holders experiencing difficulties finding available units might correlate with what we know regarding the low supply of units, including units with set-asides for lower-income households. New housing supply should make the rental market work better for all renters, which should theoretically help households searching for housing with a voucher.
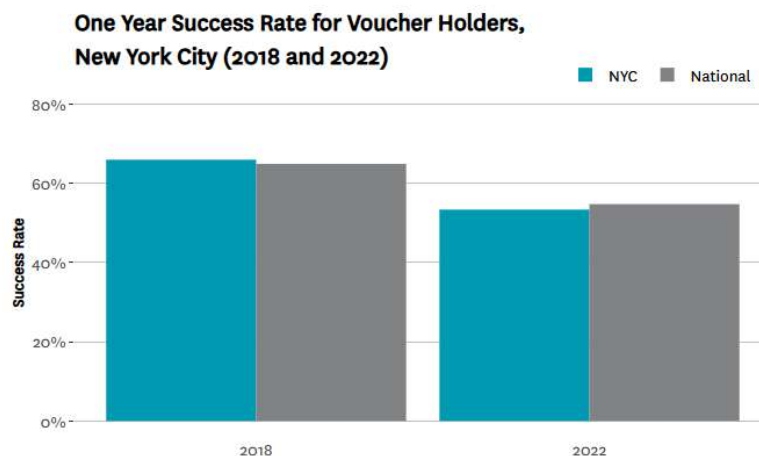
One Year Success Rate for Voucher Holders, New York City (2018 and 2022)

Sources: U.S. Department of Housing and Urban Development (HUD) administrative data on public and assisted housing programs (2017-2023), NYU Furman Center.

These data provide an important profile of New York City's voucher holders and may be a good window into the population the State's Housing Access Voucher Program would serve given the legislation's design. The data highlight what income levels the program might serve and how

long voucher holders might need subsidy. For example, voucher holders are more likely to be very low-income,[10] would likely rely on the program for a long period of time, and would have lower rent burdens with a voucher relative to other similarly situated households without access to a voucher. The data also highlight challenges around searches and geographic concentration that households participating in the program might face without additional interventions and focus from policymakers. Voucher holders tend to be concentrated in particular neighborhoods and, likely due to the housing shortage and other factors like source of income discrimination, increasingly struggle to lease up and use their voucher.

III.   Modeling Costs Associated with the Housing Access Voucher Program

As mentioned, in January 2023 the NYU Furman Center published a brief as part of its series on *Critical Land Use and Housing Issues for New York State in 2023* entitled "A State-Level Rent Voucher Program" which analyzed the legislation introduced in 2021 to create the Housing Access Voucher Program. The 2021 legislation has two important differences relative to S. 72, which was introduced last month in January 2025. The NYU Furman Center has not updated its model since 2023, and the findings we review today do not reflect these changes in legislative drafting or market condition changes, which I will highlight later.

In regards to legislative drafting changes that would affect model findings, first, the 2021 legislation was more prescriptive in setting aside funding based on household characteristics. The 2021 version required that 50 percent of funds in each jurisdiction would have to be allocated to households experiencing homelessness (with the remainder available to help households at "imminent risk of homelessness" avoid losing their existing homes) and at least 85 percent of the funds in each jurisdiction would have to go to households with incomes at or below 30 percent of the area median income (with the remaining funds set aside for households at or below 80 percent AMI). S. 72 says only that "priority" must be given to applicants who are homeless but that the Commissioner of the Department of Housing and Community Renewal can set additional priorities (including around income levels).

Typically, serving homeless families with a voucher is more expensive than a lease renewal within an existing apartment, as detailed in the brief. However, our model used the more prescriptive requirements of the 2021 legislation, assigning half of our sample to 2023 county-level FMR rents to simulate the cost of renting on the open market after leaving shelter, while the rent of the rest of the sample was estimated at the level of their assumed current rent (according to the 2021 ACS microdata). It is not possible to model the population served by the program, and the rents they would pay, without knowing how DHCR would prioritize different populations within the program.
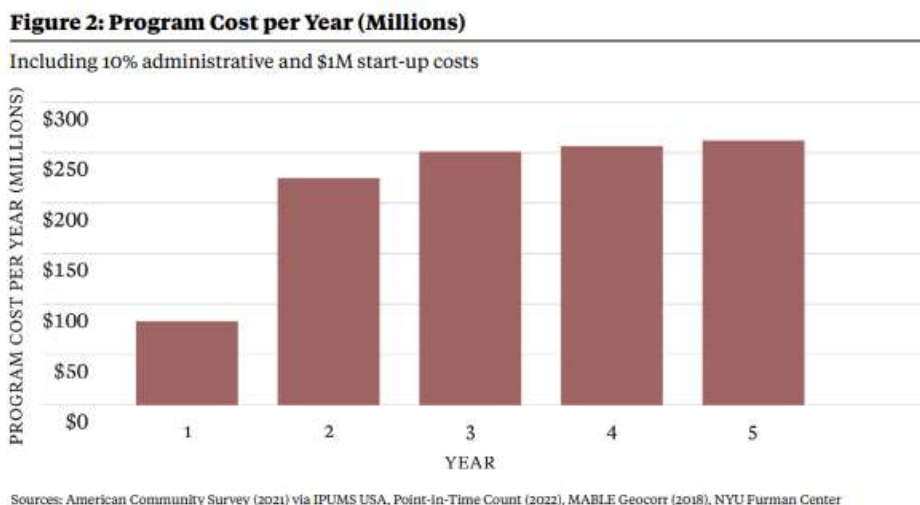
Second, the 2021 legislation set maximum rents for voucher holders at 90 to 110 percent of HUD's Fair Market Rent (FMR) calculation. S. 72 says that the maximum rent for voucher holders can be set at 90 to 120 percent of HUD's Fair Market Rent (FMR) calculations.

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[10] Note that the eligibility requirements for HAVP are slightly different from the requirements for the Housing Choice Voucher Program. Under S. 72, eligibility for HAVP would be limited to "individuals and families who are homeless or facing imminent loss of housing and have an income of no more than fifty percent of the area median income" while under the Section 8 program, 75 percent of vouchers must go to households with incomes below 30 percent of Area Median Income. Functionally, this may end up being a very similar population in practice.

The model has also not been updated to accommodate recent trends we know to be the case based on our more recent work, which highlights the uncertainty of modeling such programs. The cost estimates in our 2023 paper are difficult to update presently because rents and inflation, including HUD's FMR calculation, have been particularly volatile in the last few years. We do know that in an inflationary environment, a steady $250 million allocation would not fund as many vouchers over time. Modeling inflation in incomes and rents is difficult, and is another example of why modeling the economics of a voucher program over time can be quite difficult. For example, rents overall have increased relative to the 2021 ACS microdata. Likewise, the FMR for a one-bedroom in New York City was $2,170 in 2023, and $2,330 in 2025 (a 7.37% increase).

The model also assumed that 65 percent of households awarded an HAVP voucher would be able to lease a home with the voucher, but more recently, such "success rates" declined to 53 percent in New York City and 55 percent nationally in 2023. If voucher holders cannot use the voucher, the outcome would mean fewer households served, but also lower costs in the initial years of the program.

Keeping these adjustments in mind, it is still instructive to use our prior cost estimate to determine how costs for HAVP may be incurred by the State and then would be likely to adjust over time. Assuming a budget authorization of $250 million, we found that because it takes a long time to lease-up units, and not every household will successfully lease up, the program would not fully spend the $250 million per year in the first two years of the program. However, the State would then spend more than $250 million on the program in subsequent years to serve the same population. In Year 4 it would spend $256 million and in Year 5 it would spend $261 million on the program in part because rent increases are extremely likely to outpace changes in income for voucher holders. As shown above, this has been a consistent trend with rents increasing faster than inflation, especially in New York City, while incomes for voucher holders remain stagnant.

Figure 2: Program Cost per Year (Millions)

Including 10% administrative and $1M start-up costs

Sources: American Community Survey (2021) via IPUMS USA, Point-in-Time Count (2022), MABLE Geocorr (2018), NYU Furman Center

We estimated that over the first five years, the program would cost a total of $1.1 billion. Directionally, with the exception of the decline in success rates, the changes detailed above

would likely increase costs and reduce the number of households served relative to the 2021 legislation that we modeled previously.

In our 2023 work, the NYU Furman Center also ran alternative models to consider the impact of changes to the program design on overall costs. One model showed that changing the geographic distribution of vouchers would adjust the cost of the program.

Another model showed that changing the population served would adjust HAVP's total cost. It is, for example, more expensive if the program were to exclusively serve families experiencing homelessness than if the program serves households at risk of eviction who are staying in place (because the cost of renting a new unit is typically higher than renewing a lease). Likewise, vouchers for single adults (including heads of household who are seniors or have a disability), rather than families, tend to be less expensive because fair market rents increase if more bedrooms are required. Because S. 72 provides DHCR with flexibility to determine the population served, it is possible they would change prioritization criteria at the margin to control costs in out-years.

IV.   Conclusion

In conclusion, vouchers are an important and effective tool for stabilizing households, and lowering rent burdens for low-income New Yorkers. Vouchers have also had positive outcomes in other areas, including educational outcomes and other markers of stability. The population served by vouchers in New York City are increasingly lower-income, and use the voucher for a longer period of time. In our model, the cost of serving the same number of households rises over time because rents typically rise faster than incomes. To keep the program budget level each year would mostly require the State to award fewer vouchers over time. It is important to note that vouchers are not used in a vacuum, but rely on the extent of the supply of available units under the payment standard or rent threshold. If the State chooses to invest in vouchers, it should also consider efforts targeted at expanding the supply of housing, including affordable housing.

As our model shows, a voucher program is not a one-year commitment. Rather, it is a long-term commitment that should be considered along with other long-term housing-related priorities. In addition, all of these considerations should take the current budget environment into account. We hope this testimony has provided valuable context for policymakers on the proposal and thank you for your time.