

To: Housing Justice Network
From: NHLP Staff
Date: May 27, 2025; Updated July 7, 2025
Re: **Emergency Housing Voucher Funding and Advocacy**

What are EHV's?

Emergency Housing Vouchers (EHVs) are tenant-based rental assistance,¹ similar to vouchers issued under the Housing Choice Voucher (HCV) program. EHV's are specifically for individuals and families who are (1) experiencing homelessness; (2) at risk of homelessness; (3) fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking; or (4) recently homeless and for whom providing rental assistance will prevent homelessness or the high risk of housing instability.²

In 2021, HUD allocated approximately 70,000 EHV's to Public Housing Agencies (PHAs). Approximately 59,000 EHV's remain in use.

The PHA's role in administering EHV's has been similar to its role in administering the HCV program. All statutory and regulatory requirements of the HCV program apply to the EHV program unless expressly waived by HUD,³ including policies set forth in the PHA's administrative plan unless those policies conflict with other EHV operational requirements.

Why may the EHV program end?

Funding for the EHV program is projected to run out, absent an act of Congress. If you are interested in reaching out to members of Congress to advocate for continued EHV funding or to mitigate the harm of a potential funding cliff at the state or local level, check out the "[Reject Housing Cuts and EHV Funding Cliff: Action Toolkit](#)," developed by the Center on Budget and Policy Priorities with the help of NHLP, National Low Income Housing Coalition, and National Alliance to End Homelessness.

Through the American Rescue Plan of 2021, Congress had appropriated \$5 billion to the program for new incremental EHV's, the renewal of EHV's, and fees for the costs of administering the EHV's.⁴ The initial funding term expired on December 31, 2022, with renewal funding for EHV's to be provided on a calendar basis moving forward.⁵ Funds appropriated for the EHV program were to be available until September 30, 2030,⁶ with all funds appropriated for

¹ PIH 2021-15 at 2; 42 U.S.C. § 1437f(o).

² PIH 2021-15 at 2.

³ PIH 2021-15 at 21-40, attachment 1.

⁴ PIH 2021-15 at 3.

⁵ HUD FAQ (v.9) at 30.

⁶ PIH 2021-15 at 46.

the program—obligated or unobligated—cancelled as a matter of law on September 30, 2035.⁷

However, PHAs spent down the money quicker than anticipated, due to higher-than-expected market rents and other factors, and many PHAs only have funds to continue their EHV program through part of 2026.

On March 6, 2025, HUD notified PHAs that it would be releasing all remaining EHV funds and advised PHAs to “manage your EHV program with the expectation that no additional funding from HUD will be forthcoming.”⁸ HUD informed PHAs that “[f]ully spent, these funds should, with prudent and responsible program management, fund the PHA’s EHV program through CY 2025 and well into CY 2026.”⁹ HUD stated it was exploring additional options for the EHV program moving forward and would issue additional guidance and technical assistance.¹⁰

On March 26, 2025, HUD published an additional notice informing PHAs that HUD had obligated all remaining EHV funds and PHAs should take care to manage their EHV program within their remaining budget authority.¹¹

On May 14, 2025, in its HCV funding implementation notice, HUD informed PHAs that it will award \$1,000 in special fees per EHV family the PHA successfully transitions to the HCV program.¹² On June 20, 2025, HUD issued guidance on how to transition families from the EHV program to the regular voucher program.¹³ In its guidance, HUD strongly encouraged PHAs to transition EHV families to the HCV program so that EHV families do not potentially face homelessness.¹⁴ Per HUD’s guidance, PHAs that choose to transition EHV families to the HCV program should:

- Provide clear information to EHV families covering: the process for applying to the HCV waitlist under an EHV preference, the status of EHV funding, why the PHA is adopting an EHV preference, and the potential consequences of remaining on EHV assistance (including the risk of termination due to lack of funding).¹⁵
- Update PHA plans to establish a waiting list preference for EHV families, which is the manner in which PHAs can transition families to the HCV program.¹⁶ In some cases, updating PHA plans to reflect the new policy will be considered a

⁷ 31 U.S.C § 1552; HUD FAQ (v.8) at 24; HUD FAQ (v.9) at 29.

⁸ HUD, Emergency Housing Voucher Program Renewal Funding Allocation (March 6, 2025).

⁹ *Id.*

¹⁰ PIH 2025-07 at 2 (fn. 2).

¹¹ PIH 2025-07 at 2.

¹² PIH 2025-13 at 33.

¹³ PIH 2025-19 at 2.

¹⁴ PIH 2025-19.

¹⁵ PIH 2025-19 at 2.

¹⁶ PIH 2025-19 at 3.

“significant amendment” to the PHA plan, requiring strict adherence to local notice and comment requirements.¹⁷

- Establish a local preference (or multiple EHV preferences to prioritize the most vulnerable households) for current EHV participants, using a method that complies with fair housing and civil rights requirements, communicate that preference to all EHV families and allow sufficient time for families to apply for the HCV program before selecting families from the waitlist.¹⁸ A PHA may apply for a waiver to place all EHV families on its HCV waiting list with the appropriate preference by following the steps HUD sets forth in its notice.¹⁹
- When a family admitted to the EHV program is transferred to the HCV program, the family is not an applicant but is a participant. Accordingly, applicant screening requirements do not apply (e.g., criminal rescreening, income eligibility and targeting requirements).²⁰ HUD’s notice also addresses documentation of SSN and eligible noncitizen status.²¹ However, verification of documentation of SSN and eligible noncitizen status applies only to family members who contend eligible immigration status.²²
- PHAs that set higher payment standards for the EHV program can minimize harm to families by (1) aligning program standards with EHV payment standards set between 110-120% of the applicable FMR; or (2) hold families harmless and choose not to reduce the payment standard amount as long as the family resides in the same unit.²³
- PHAs are not required to execute a new HAP contract provided the family remains in the same unit. (The EHV program uses the same HAP contract and tenancy addendum as the HCV program.)²⁴

In its June 20, 2025 notice, HUD also notified PHAs that they had 60 days to expend services fees and that future guidance on returning unexpended service fees was forthcoming.²⁵

What will happen to EHV participants if no further funding is appropriated by Congress?

The fate of EHV families is currently unclear. In some cases, local PHAs may be able to “absorb” EHV tenants into their regular HCV voucher program in accordance with HUD’s June 20, 2025 notice.²⁶ PHAs with small numbers of EHV families are more likely to be able to absorb them.

¹⁷ PIH 2025-19 at 3.

¹⁸ PIH 2025-19 at 3-4.

¹⁹ PIH 2025-19 at 4.

²⁰ PIH 2025-19 at 5.

²¹ PIH 2025-19 at 5.

²² 24 C.F.R. §§ 5.508(a), 5.216(a).

²³ PIH 2025-19 at 6, citing the simplified process for raising payment standards set forth in PIH 2024-34 (Section 5B) and 2024-34 (Section 10).

²⁴ PIH 2025-19 at 6.

²⁵ PIH 2025-19 at 1-2, 6-7.

²⁶ PIH 2025-19. Note that PHAs absorbing EHV families into their regular voucher program could result in longer HCV wait times for HCV applicants.

In that case, families would experience little disruption in their housing status.

Other PHAs may fill the gaps in other ways, should Congress choose not to continue the program, through state and local funding, or may move EHV tenants into public or other federally assisted housing, to avoid families becoming homeless. The end of this memo includes ways that PHAs are managing the projected funding cliff. In many cases, however, PHAs will have insufficient funds to pay for continued use of EHV.

In the absence of specific HUD guidance related to the termination of EHV participants, advocates should turn to the regulations that govern insufficient PHA funding to understand tenants' rights in the event program funding is discontinued and EHV families are not transitioned to another program.²⁷ If PHAs rely on the insufficient funding regulation as the basis for terminations in this scenario, then PHAs must comply with the HUD requirements set forth below.

Prior to 1993, HUD regulations did not address scenarios involving insufficient funding. In 1993, HUD explained that it had not established such procedures because "Congress has consistently provided enough funding to maintain and increase the number of assisted families."²⁸ Under the current insufficient funding regulation, a "PHA may terminate the HAP contract if the PHA determines, in accordance with HUD requirements, that funding under the consolidated ACC is insufficient to support continued assistance for families in the program."²⁹

Consistent with that regulation, Part B of the HAP contract (between the PHA and the owner), provides:

The PHA may terminate the HAP contract if the PHA determines, in accordance with HUD requirements, that available program funding is not sufficient to support continued assistance for families in the program.³⁰

However, a PHA may only terminate a HAP contract based on insufficient funding if: (1) the PHA determines—after having considered "all of its available budget authority (which includes unspent prior year HAP funds in the PHA's NRA³¹ account)"—that funding under the Consolidated Annual Contributions Contract (CACC) is insufficient to support continued assistance for families in the program; (2) the PHA has "carefully considered all cost-savings measures and the impact such terminations will likely have on program applicants and participants[.]" and (3) the PHA issues written notice to the HUD field office and its financial analyst at the Financial Management Center prior to issuing notices of termination, with the notice including "all measures taken to date to reduce or eliminate the shortfall and the number

²⁷ 24 C.F.R. § 982.454 (Termination of HAP contract: Insufficient funding).

²⁸ 58 FR 11292-01, 11310 (Feb. 24, 1993).

²⁹ 24 C.F.R. § 982.454.

³⁰ HUD, Part B of HAP Contract (Form HUD-52641), § 4(b)(5) (Term of HAP Contract).

³¹ Net restricted assets (NRA) are reserves in the Housing Assistance Payment account, which are funds that may only be used to make payments to a landlord on behalf of a tenant.

and date(s) of proposed termination.”³²

Only if those conditions are met,³³ a PHA may proceed with termination of HAP contracts based on insufficient funding in a manner that complies with the PHA’s administrative plan.³⁴ While HUD has yet to publish guidance specifically on EHV terminations, advocates can generally apply this analysis to EHV’s.

A PHA’s administrative plan must cover all of the PHA’s local policies for administration of the program, including an insufficient funding policy.³⁵ The administrative plan must include a process to address “insufficient funding, taking into account any cost-savings measures taken by the PHA” and include “a description of the factors the PHA will consider when determining which HAP contracts to terminate first (e.g., prioritization of PBV HAP contracts over tenant-based HAP contracts or prioritization of contracts that serve vulnerable families or individuals).”³⁶

Each PHA’s insufficient funding policy should describe how the PHA will determine which HAP contracts will be terminated.³⁷ These policies must comply with the PHA’s obligation to affirmatively further fair housing.³⁸

In sum, while the regulations provide for termination of HAP contracts based on insufficient funding, a PHA may proceed only if the aforementioned conditions are met and if the PHA proceeds in compliance with the insufficient funding policies in its administrative

³² PIH 2011-28 at 6-7. While HUD has informed PHAs that they cannot use HCV program funds to address EHV shortfalls, HUD has reiterated PHAs’ obligations to take reasonable cost saving measures before terminating participating EHV families from the EHV program due to insufficient funds. *See, e.g.*, PIH 2021-15 at 16 (in context of EHV renewal allocation adjustment requests, HUD referenced PHA’s obligation to take reasonable cost saving measures as determined by HUD before terminating participating EHV families from the program due to insufficient funds); *see also* PIH 2023-14 at 4-5 (EHV shortfall funding context).

³³ Note that PHAs may argue that HUD’s March 2025 notice to PHAs satisfies the third condition and no written notice to HUD is required. However, since the written notice must include cost-saving measures, HUD’s March 2025 notice to PHAs is insufficient to satisfy this requirement.

³⁴ 24 C.F.R. § 982.54(c) (“The PHA must administer the program in accordance with the PHA Administrative Plan.”)

³⁵ 24 C.F.R. § 982.54(d)(26) (The plan must cover the following subject: “In the event of insufficient funding, taking into account any cost-savings measures taken by the PHA, a description of the factors the PHA will consider when determining which HAP contracts to terminate first (e.g., prioritization of PBV HAP contracts over tenant-based HAP contracts or prioritization of contracts that serve vulnerable families or individuals).”)

³⁶ *Id.*

³⁷ PIH 2011-28 at 7. Each PHA’s insufficient funding policy should also describe how the PHA will resume assistance for the impacted households. (*Id.*) For example, under one PHA’s insufficient funding policy, families terminated due to insufficient funding will be placed on the waitlist and eligible for a super preference. However, resumption-of-assistance policies are more applicable to traditional funding shortfall situations than to the situation EHV households face, where a specific program’s funds were spent down quicker than anticipated and a close out of the program is imminent without Congress appropriating additional funds.

³⁸ *Id.* (“In setting such policies, a PHA should be mindful of its obligation to affirmatively further fair housing pursuant to 24 C.F.R. 982.53(c) and 24 C.F.R. 903.7(o).”)

plan.³⁹

In reviewing a PHA's administrative plan, advocates should make sure to also review plan addenda and appendices. PHAs were permitted to issue a plan addendum or appendix specific to EHV policies.⁴⁰

How much notice must be provided to tenants prior to terminating a HAP contract?

When it comes to how much notice a household is entitled to before assistance is terminated based on insufficient funding, the regulations do not specify a notice period.⁴¹ If the administrative plan specifies the amount of notice that will be provided to a household in this scenario, the PHA should comply with that notice provision.

In at least a couple of PHAs' administrative plans, the insufficient funding policy states that a minimum of 30 days notice will be provided to households.⁴² Given the circumstances—particularly the March 2025 notice PHAs received from HUD and the vulnerable population at risk—terminating assistance with only 30 days notice is not reasonable. Advocates should discuss with their PHA the importance of providing EHV households with adequate notice—e.g. at least 90 days—before terminating a HAP contract on this basis.

If a PHA's insufficient funding policy is silent on how much notice will be given, advocates should look to the administrative plan's default notice provision. Plans may have a provision that states that unless otherwise specified, a certain number of days notice will be

³⁹ There appears to be only a few cases challenging PHA action based on insufficient funding, including two trial court orders rejecting an applicant's challenge to a PHA decisions to not fund previously issued vouchers based on insufficient funds (pre-lease-up) and one district court order dismissing a participant's complaint regarding portability after a PHA refused to absorb the participant's voucher based on insufficient funds. (*Gokhlerner v. Rhea*, 2011 N.Y. Misc. LEXIS 929; *Matter of Palomino v. Rhea*, 2010 N.Y. Misc. LEXIS 3910; *Koroma v. Redevelopment*, No. 3:09cv736, 2009 LEXIS 81461 (E.D. Va. Dec. 28, 2009).)

⁴⁰ HUD FAQ (v.9) at 22.

⁴¹ 24 C.F.R. §§ 982.454, 982.455. While one could argue that the 180-day notice period in Section 982.455 should apply to terminations based on insufficient funding under Section 982.454, that argument would fail because Section 982.454 expressly refers to—as stated in its heading—the “Automatic termination of HAP contract.” (*Id.*) Further, the legislative history shows that while Section 982.454 originally referenced Section 982.455, it did so only in the context of owner-based notices of termination. (58 FR 11292-01, 11310 (Feb. 24, 1993).) Before their effective date, HUD amended the regulations to remove that last sentence from Section 982.454. (64 FR 26632-01, 26647 (May 14, 1999).) Furthermore, the proposed version made clear that the timeframe (3 months at the time, now 180 days per 60 FR 34660-01 (July 3, 1995)) was applicable to owner-based terminations and not PHA-based terminations. For example, Section 982.455 defined termination of the HAP contract to mean either owner opt-out or expiration of the HAP contract, with expiration meaning either automatic termination when three months having passed since the last housing assistance payment or “[a] HA determination (in accordance with HUD requirements) that the HAP contract must be terminated because there is insufficient funding under the consolidated ACC to support continued assistance for the family.” (58 FR 11292-01, 11310 (Feb. 24, 1993); *see also* 60 FR 34660 (July 3, 1995); 63 FR 23826 (April 30, 1998).)

⁴² For example, one PHA's plan states “[i]n cases involving termination of assistance due to insufficient funding, families will receive a minimum of 30 days notice of termination of assistance” and the plan prohibits terminating assistance to elderly and disabled families. Another PHA's plan states “[the PHA] will issue such families and owners written 30-day notice of termination” in this scenario, with terminated families added to the waitlist (even if the waitlist is closed) and given priority to reenter the program before new applicants are selected from the waitlist.

given.

If the PHA's administrative plan does not include an insufficient funding policy, a PHA is not authorized to terminate a HAP contract on this basis. The PHA would have to amend its administrative plan. And that amendment process should provide the public with a right to review and comment on the draft amendment.

Are EHV households entitled to an informal hearing?

HUD regulations describe when a PHA is required to give households the opportunity for an informal hearing.⁴³ However, this is a floor and not a ceiling. PHAs can provide informal hearings for terminations and changes beyond those specified in the regulations. Advocates should look to the PHA's administrative plan.

The regulations probably do not require an informal hearing when the PHA is terminating assistance based on insufficient funding. While PHAs are required to provide an informal hearing when terminating assistance based on a family's action or failure to act,⁴⁴ a termination for insufficient funding would not fall into this category. Nor does this type of termination likely fall into the other scenarios under which the regulations require a PHA to provide an informal hearing before terminating a HAP contract.⁴⁵

While administrative plans may not expressly provide for informal hearings for this type of termination, households still have basic due process rights.⁴⁶ If there is a factual dispute, a household may be entitled to an informal hearing before termination of the HAP. For example, in the insufficient funding provisions of administrative plans, a number of PHAs provide the order by which the PHA will terminate HAP contracts or the criteria the PHA will use to identify HAP contracts to terminate.⁴⁷ If a household receives a notice of termination on grounds that the household falls into one of the plan's priority categories (or meets the criteria set forth in the plan) *and* that household disagrees that it qualifies as a household in that category (or that meets the necessary criteria), then that household may have a good faith contention that the termination

⁴³ 24 C.F.R. § 982.555.

⁴⁴ 24 C.F.R. § 982.555(a)(1)(iv).

⁴⁵ See e.g., 24 C.F.R. §§ 5.514(d)(5), (f)(2) (termination for participant's failure to verify immigration status).

⁴⁶ *Mathews v. Eldridge* (1976) 424 U.S. 319.

⁴⁷ For example, one PHA's policy provides that households will be removed based on gross income, with households with the highest gross income terminated first. Other PHAs prioritize the termination of HAP contracts for participants who meet specific criteria, including having violated program requirements as evidenced by repayment agreements or signed documents acknowledging program violations, or having a rent portion higher than 75% of the contract rent. A number of policies exclude elderly or disabled households from priority categories, while others set forth an order for termination which prioritizes terminations of households with non-elderly, non-disabled members. At least one PHA's policy contains an order of termination that accounts for non-elderly, non-disabled households with children, with those households terminated only after households without children are terminated. (See, e.g., Idaho Housing and Finance Association 2023 Administrative Plan (p. 12-8); County of San Diego Housing Authority 2024-25 Administrative Plan (p. 274); Los Angeles County Development Authority 2024 Administrative Plan (p. 14-4); Housing Authority of the City of Los Angeles 2024 Administrative Plan (p. 3-27); San Diego Housing Commission 2025 Administrative Plan (p. 122); Housing Authority of the County of Santa Cruz 2025 Administrative Plan (p. 51).)

is improper and a right to a hearing before their HAP contract is terminated.

Advocates may wish to meet with their PHA or submit public records requests to obtain information to ascertain the PHA's financial situation and the degree to which the PHA has taken all cost-saving measures before terminating HAP contracts. (NHLP is preparing a sample public records request for advocates to use.)

Can EHV tenants be evicted if they lose their voucher?

When a HAP contract is terminated, the lease is automatically extinguished. Part C of the HAP contract (the Tenancy Addendum), provides:

If the HAP contract terminates for any reason, the lease terminates automatically.⁴⁸

Tenants' rights upon lease termination will depend, in part, on state landlord/tenant laws.

Generally, in the case of HAP termination for insufficient funds, the landlord cannot demand the household pay early lease termination penalties because the household has not breached the lease. The PHA's termination of the HAP contract caused the lease to automatically terminate and the landlord should be directed to this language in the contract.⁴⁹

If the household does not vacate by the date on which the HAP contract terminates, and no extension or separate agreement is entered into or established, the household's status will be a question of state law. At that point, the household may be considered to be holding over because the rental agreement terminated on the date the HAP contract terminated. In this scenario, advocates should advise the household of its rights and responsibilities under state law.

If the household enters into an agreement to continue residing in the unit and paying rent to the landlord, but the tenant fails to make the full rental payment, the landlord may take steps under state law to evict the tenant for nonpayment of rent by serving a notice to pay rent or quit (e.g., in California, a 3-day notice). If the tenancy is covered by the CARES Act, the tenant would be entitled to a 30-day notice.⁵⁰ The CARES Act applies if the property has a federally-backed mortgage loan or if at least one resident at the property participates in one of the federal programs covered by the CARES Act.⁵¹ It is a question of law whether the 30-day CARES Act notice would apply to a tenancy after the HAP contract is terminated.

⁴⁸ HUD, Part C of HAP Contract (Form HUD-52641), § 12 (Lease: Relation to HAP Contract), *see also* §13 (PHA Termination of Assistance ("The PHA may terminate program assistance for the family for any grounds authorized in accordance with HUD requirements. If the PHA terminates program assistance for the family, the lease terminates automatically.")).

⁴⁹ HUD, Part C of HAP Contract (Form HUD-52641), §§ 12, 13.

⁵⁰ 15 U.S.C. § 9058(c).

⁵¹ 15 U.S.C. § 9058(a)(2).

Advocate tips – advocacy you can engage in with your PHA to protect tenants:

Meet with your PHA to understand the plan for EHV families

Advocates can meet with their PHA to understand how and when the PHA plans to transition families from the EHV program in the event funds are discontinued. Advocates can be prepared to discuss the below issues, including cost-saving measures the PHA should implement to prevent or mitigate harm to families.

Promote Transparency - Ask the PHA to Keep EHV Households Informed

Advocates can encourage PHAs to promptly send letters to all EHV households. These letters should notify households about the potential discontinuation of funding and explain how the PHA will transition households from the program. If the PHA has not yet created a transition plan, the letters should—at the very least—inform EHV households that a transition plan is in the works. A number of PHAs have already sent out these notices.

If the PHA plans to transition EHV families to the HCV program, the PHA should be proceeding in accordance with HUD’s June 20, 2025 guidance. This means the PHA should be providing clear information to EHV families covering the process for applying to the HCV waitlist under an EHV preference, the status of EHV funding, why the PHA is adopting an EHV preference, and the potential consequences of remaining on EHV assistance (including the risk of termination due to lack of funding).⁵²

PHA Plans and Administrative Plans

Advocates can work with their PHA to ensure the PHA’s administrative plan includes insufficient funding policies that prioritize the housing stability of tenants. When the PHA releases the draft administrative plan for public review and comment, either during the regular administrative plan update or in the event the PHA is proposing a plan amendment, advocates should participate in the public comment process to ensure PHAs are made aware of tenants’ concerns. But advocacy need not be limited to when the PHA releases a draft for public review and comment. Advocates can meet with their PHAs to propose plan amendments at any time.

For PHAs that plan to transition EHV families to the HCV program, advocates can work with their PHAs to ensure PHAs are proceeding in accordance with HUD’s guidance, which addresses both PHAs with open HCV waiting lists and PHAs with closed HCV waiting lists.⁵³ Advocates can also work with their PHAs to discuss preferences the PHA may be adopting to prioritize the most vulnerable EHV households and/or whether the PHA is seeking a regulatory waiver to place all EHV families on the HCV waiting list with a specific preference.⁵⁴

Finally, advocates should participate if the PHA engages in a notice and comment period to amend their plans. If a PHA proposes a “significant” amendment to its PHA Plan, the PHA

⁵² PIH 2025-19 at 2-4.

⁵³ PIH 2025-19 at 3.

⁵⁴ PIH 2025-19 at 4.

must comply with the public hearing and comment process.⁵⁵ The PHA Plan must define what constitutes a “significant” amendment.⁵⁶ Any revision to a PHA’s administrative plan—which must cover the PHA’s waiting list selection and preference policies⁵⁷—must be formally adopted by the PHA Board of Commissioners or other authorized PHA officials,⁵⁸ which may provide advocates with another avenue for engaging with the PHA.

Adequate Notice to Households Prior to Termination

Before terminating a HAP contract based on insufficient funding, the PHA must provide the EHV household with notice. Advocates can work with their PHAs to ensure the notices are clear and EHV households receive notice at least 90 days before the date of termination.

Adequate notice is necessary to increase the chance of a smooth transition and to avoid the possibility of homelessness upon exit from the program. By nature of households’ eligibility for the EHV program, these households are extremely vulnerable. Local advocates are in the best position to explain the need for sufficient notice, including local market conditions and fair housing barriers that these households will face in seeking housing.

Administratively for the PHA, 90 days is reasonable given the notice PHAs received from HUD regarding program termination and the time PHAs have already had to transition households from the program.

PHA’s Financial Status

Advocates can meet with their PHA to discuss the PHA’s budget authority, as well as reserves, to help understand when the PHA plans to terminate HAP contracts for the EHV program. Prior to this meeting, advocates should review the financial information publicly available through HUD’s voucher dashboard and EHV dashboard, available online at <https://www.hud.gov/helping-americans/public-indian-housing-hcv-dashboard> and <https://www.hud.gov/helping-americans/housing-choice-vouchers-emergency-dash>. Advocates can also submit public record requests under their state’s public record laws.

PHA’s Cost-Saving Measures

Advocates can ask their PHA about the cost saving efforts the PHA has implemented and the cost saving efforts the PHA plans to implement in response to HUD’s discontinuation of EHV funding. Advocates can assist their PHA by identifying additional cost-saving measures, including measures recommended by HUD.⁵⁹

For example, HUD has recommended that PHAs increase the success rate of voucher holders because a high success rate reduces a PHA’s administrative burden by resulting in fewer

⁵⁵ 24 C.F.R. § 903.21; *see also* 24 C.F.R. § 903.17.

⁵⁶ 24 C.F.R. § 903.7(s)(2)(ii).

⁵⁷ 24 C.F.R. § 982.54(d)(1).

⁵⁸ 24 C.F.R. § 982.54(a).

⁵⁹ PIH 2011-28; PIH 2012-15; PIH 2016-05.

briefing schedules, HQS inspections, and rent reasonableness determinations.⁶⁰ To increase success rates, HUD suggests PHAs consider extending search times and ensuring adequate payment standards.⁶¹

To reduce program costs, HUD also recommends that PHAs ensure they are subsidizing only reasonable rents.⁶² Owners may not charge higher rents for assisted units than for comparable unassisted units, and rent increases must comply with any state or local rent control limits.⁶³ In issuing this cost-saving recommendation, HUD reminded PHAs that they do not have to wait until a triggering event, such as a HAP contract anniversary, to review rents and reduce them if warranted.⁶⁴ After a PHA provides an owner written notice of an unreasonable rent, rents may be reduced as early as the first of the following month.⁶⁵ In addition to serving as a cost-savings to PHAs, reducing unreasonable rents may also reduce the voucher household's rent burden (particularly if the unreasonable rent exceeded the payment standard).

If a PHA proposes a cost-saving measure that adversely impacts households in the program, particularly their rent burden, advocates should remind the PHA that HUD strongly recommends the PHA first consider other options.⁶⁶

Advocates are in the best position to recommend other cost-saving measures unique to the jurisdiction.

For example, for a PHA in an area subject to state or local rent caps, automating a portion of the rent reasonableness process may help ensure the PHA is not mistakenly approving—and then subsidizing with limited voucher funds—rent increases that exceed the rent cap. This is a good opportunity for advocates to remind PHAs of their obligation to deny rent increase requests that exceed any rent caps, to avoid squandering public funds on illegal rent increases.⁶⁷

Automating this portion of the PHA's rent reasonableness process may not only protect against human error, but may save staff time that would otherwise be spent comparing the rent increase request to the maximum allotted rent permitted under the state or local rent cap.

Consistency in EHV Program Payment Standards

If the PHA plans to transition households to another program, advocates can work with their PHA to ensure a consistent transition for EHV households that protects against displacement. If the PHA has higher payment standards for the EHV program, advocates can

⁶⁰ PIH 2012-15 at 6.

⁶¹ *Id.*

⁶² PIH 2011-28 at 2.

⁶³ *Id.*; see also 24 C.F.R. §§ 982.507(b), 982.509.

⁶⁴ PIH 2011-28 at 3.

⁶⁵ *Id.*

⁶⁶ HUD, HCV FAQ - In what ways can Public Housing Agency (PHA) reduce costs? (January 2022), available online at <https://www.hudexchange.info/faqs/4032/in-what-ways-can-a-public-housing-agency-pha-reduce-costs/>.

⁶⁷ HUD, Housing Choice Voucher Program Guidebook, § 2.4.1 (September 2020). Under HUD's Housing Choice Voucher Program Guidebook, "[i]f a PHA approves rents that are too high, government funds are wasted and limited housing subsidies are squandered." (*Id.*, § 1.)

encourage the PHA to implement exception payment standards in high opportunity neighborhoods where EHV households reside to help ensure they can remain in their current units.⁶⁸

In its guidance to PHAs transitioning EHV households to the HCV program, HUD provided PHAs with options to minimize harm to families: (1) align program standards with EHV payment standards set between 110-120% of the applicable FMR (by using an existing simplified process for exception payment standards); or (2) hold families harmless and choose not to reduce the payment standard amount as long as the family resides in the same unit.⁶⁹

In preparation for this discussion, advocates can remind the PHA of the additional funding it received for EHV, many receiving between \$4,250 and \$4,500 in initial fees beyond HAP funds.⁷⁰ Those fees included funds for housing search assistance, security and utility deposit assistance, and owner recruitment and retention initiatives.⁷¹

The EHV program was a significant investment that—for many households—resulted in their ability to lease-up in high opportunity areas outside of RECAPs (Racially/Ethnicity Concentrated Areas of Poverty). Accordingly, it is vital that the payment standards remain sufficient for households to continue residing in those areas.

Before meeting with their PHA, advocates may want to consider the demographics of the households served through the EHV program along with the housing patterns in the PHA's region, because failing to ensure an adequate payment standard may not only result in the displacement of these households from areas of higher opportunity, but may risk perpetuating segregated housing patterns in violation of federal and state law.

What can PHAs and other stakeholders do to preserve EHV tenancies in light of the possible funding cliff?

The consequences of allowing EHV households to lose their assistance impacts not only tenants and PHAs, but also state and local governments, Continuums of Care and homeless response systems, and other public systems. As such, many different partners may have a role to play in addressing the impacts of a possible funding cliff. PHAs, often in partnership with other stakeholders, are handling the EHV cliff in a number of different ways. NHLP will continue to update this list as we hear more about PHAs' plans:

- PHAs can plan to absorb the EHV and transfer EHV families to the regular voucher program.
 - PHAs should comply with HUD's guidance, which directs PHAs to take specific steps, including providing clear notice to all EHV households and selecting EHV households through the HCV waiting list.⁷²

⁶⁸ See, e.g., 24 C.F.R. § 982.503(d).

⁶⁹ PIH 2025-19 at 6, citing PIH 2024-34 (Section 5B) and 2024-34 (Section 10).

⁷⁰ PIH 2021-15 at 8-13; HUD FAQ (v.9) at 122.

⁷¹ *Id.*

⁷² PIH 2025-19.

- For each EHV family a PHA transitions to the HCV program, HUD will provide the PHA with \$1,000 in special fees. PHAs must comply with HUD’s guidance when reporting this transition to HUD.⁷³
- State and local governments can fund rental subsidies to ensure that EHV households can continue to receive assistance – and ideally, that even more households can receive rental assistance.
 - For example, New York State funded a new state rental assistance program, which can be used in part to fill in the funding gaps so that EHV families have continued rental assistance.⁷⁴
- PHAs can swap out vouchers for existing or new state or local rental and operating subsidies where available.
 - For example, the City of Pasadena voted to allocate a portion of funding from a locally-funded revenue measure toward backfilling EHV subsidies for households facing the cliff.⁷⁵

⁷³ PIH 2025-19 at 6; PIH 2025-13 at 33.

⁷⁴ See, e.g., Daniel Parra, *Here’s What We Know So Far About New York’s New Housing Voucher Program*, CITY LIMITS (May 16, 2025), available online at <https://citylimits.org/heres-what-we-know-so-far-about-new-yorks-new-housing-voucher-program/>.

⁷⁵ André Coleman, *\$867,000 in Measure A Funds Secured for Rental Assistance to Prevent Homelessness*, PASADENA NOW (May 20, 2025), available online at <https://pasadenanow.com/main/council-to-consider-867000-measure-a-rental-assistance-contract-to-prevent-homelessness>.