

Section 8 covers Colorado rents up to \$3,879 per month, 'lap of luxury'

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Section 8 covers Colorado rents up to \$3,879 per month, 'lap of luxury' (The Center Square) - Taxpayers are covering rents of up to \$3,879 per month in Colorado, leading taxpayer advocates to question the growing duration of federal Section 8 housing choice voucher (HCV) usage.

"Section 8 needs to focus on lifting people out of the trap of poverty, not putting them into the lap of luxury," said National Taxpayers Union president Pete Sepp in an interview with The Center Square. "It's unfair to ask taxpayers who can't afford mortgages or rents of nearly \$4,000 per month to foot the bill for subsidies amounting to that much."

HCV recipients remain in the program for an average of 15.1 years - that's up from an average of 12.4 years in 2000, according to a 2024 federal report.

When asked about a 2026 budget proposal from the Trump administration that would limit Section 8 assistance to two years, U.S. Housing and Urban Development Secretary Scott Turner recounted his meeting with a recipient whose family had been housed by the program for multiple generations.

"She's 52 years old, she's been living there since 1973. She's able-bodied, able-minded. She was raised there. She lived there. Now she's raising her children there," Turner said in a video his office posted to X on August 25, recounting a meeting with a multi-generational federal housing recipient. "That's three generations living on government subsidies that are able bodied, able minded."

"Time limits are kind of an encouragement, like 'hey, you can do this,'" Turner said. "We're not just telling you to work, we're going to have workforce training around you, we're going to have skill training around you to get out of government subsidies, to live a life of self-sustainability."

While the NYU Furman Center warns the change could push 1.1 million households out of the program, taxpayer advocates say some kind of time limits are necessary to prevent long-term - let alone intergenerational - dependency on the program.

"Congressional overseers are right to ask a question about whether there needs to be a rational time limit," Sepp said. "It may not be two years, but it can't be two or three generations."

The federally funded Section 8 housing assistance program covers up to 110% of 40th percentile rents in the local area, with recipients' out-of-pocket costs capped at 30% their aggregate gross income (with an additional 10% if the rental includes utilities). The income can include taxpayer-funded welfare payments.

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Once admitted to Section 8, a household may use their vouchers for the program anywhere in the country, with the goal of providing recipients with "greater ability to move into 'Opportunity Neighborhoods' with jobs, public transportation, and good schools."

There are now 4.6 million housing units funded by the United States Department of Housing and Urban Development, including 2.4 million housing units in the HCV program, which houses 5.3 million Americans.

In Colorado, the HCV program covers rents up to \$3,879 per month for four-bedroom homes in the Colorado Springs ZIP codes of 80118, 80914, 80924, and 80927.

Of the 43 available four or more bedroom homes listed for rent in these ZIP codes, all but three were below the \$3,879 limit.

In 80924, which includes Wolf Ranch, there are 28 homes with four or more bedrooms for rent, ranging from \$2,099 per month to \$4,250 per month, all but three of which are below the \$3,879 per month limit. The median rent is \$3,250 per month. One \$3,250 example is a five bedroom, four bathroom, 3,790 square foot home including a home theater, bar, a large fenced-in yard, and three-car garage.

If a family with the average HCV household income — estimated by HUD to be \$18,558 per year, or \$1,546.5 per month, including other welfare payments — were to rent this home, the household's out of pocket cost for the home is \$463.95 per month. This would leave taxpayers on the hook for the other \$2,786.05 per month in perpetuity, or until the admitted individual exits or is removed from the program.

According to Sepp, keeping out-of-pocket costs fixed, while allowing for portability encourages households to seek out the most expensive home they can secure, instead of trying to save taxpayers money by choosing a home they could more easily afford on their own some day.

"By fixing the out of pocket exposure, the program is defeating one of its own purposes of encouraging responsibility in housing — if you're going to pay the same amount of money, why bother with getting somewhere that costs less?" continued Sepp.

Should a household start to make more money than the area's maximum Section 8 income limit — which for a five-member household in Colorado Springs is \$60,750 per year — the family would be forced off the program. At \$60,750 per year, a household that does not want to be rent-burdened — and thus spend no more 30% of its income on rent — could only afford rent of \$1518.75 per month. That is significantly less than the up to \$3,879 of taxpayer-funded value provided by Section 8.

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As a result, earning more money could cost Section 8 recipients their housing. To not be rent-burdened while paying \$3,250 per month on rent, a household would need to make \$130,000

per year, or more than double the income threshold at which a family would be removed from Section 8.

"It makes no sense," continued Sepp. "There has to be a comprehensive, data-driven adjustment to all of these benefits."

HUD did not respond to requests for comment.

