

Section 8 May Receive Funding Increase

By Gabrielle Gurley
Spare Change News

The embattled Section 8 voucher program is the only housing assistance provision to receive increased federal funding in the federal government's revised fiscal year 2005 budget for the Veterans Administration and the Housing and Urban Development.

The House of Representatives Appropriations Committee recently signed off the proposed bill, which would fund Section 8 and other housing programs. If the bill passes, HUD's budget would be \$37.7 billion, \$108 million less than last year but \$1 billion above the amount requested by the Bush administration.

Section 8 would receive \$14.7 billion, an increase of \$491 million over last year. Section 8, whose costs take up more than half of HUD's budget, would increase 41 percent. The White House proposed cutting Section 8 by nearly \$1.6 million, which would translate into a loss of vouchers for 250,000 families.

To pay for Section 8, the Appropriations Committee cut other HUD program areas by 4 percent, including home purchase, building and renovation assistance, homeless assistance, and housing for seniors, AIDS patients and disabled persons.

Few are completely satisfied with the final product, and President George W. Bush has threatened to veto the entire measure if funding is not restored to several areas including NASA, which is also covered by the bill.

In a statement the Appropriation Committee's ranking member, Rep. David Obey (D-Wis.) said, "The pain in this bill is broad and deep and its substantial cuts are going to cause real harm."

Obey added that Section 8 funding is "inadequate to maintain current program levels. This will mean fewer people can be housed and existing tenants may not have their leases renewed."

On the other side of the aisle, House Appropriations Committee spokesman John Scofield said the Section 8 provisions were "adequate." "It's been increasing more than any other function of the federal government, including homeland security," he said.

"This year we were able to again do another generous increase for Section 8," Scofield added. "Unfortunately, we had to trim some of the other programs, but we thought since Section 8 is HUD's signature housing assistance program, that's where the resources should go. It's obviously not enough for some, too much for others, but we think that it's a pretty good start."

Despite the increase, Section 8 still faces tremendous pressures, according to National Housing Coalition president Conrad Egan.

"I think that the continued funding of the Section 8 program is always going to be at risk," he said. "We are certainly pleased that Congress is struggling somewhat successfully with maintaining the funding at more or less current levels, we are worried, though, that the program remains, as I said, at risk."

"I would anticipate that there would be further attempts to reduce the cost of the program in various ways," Egan added.

Legislators declined to fund the administration's controversial flexible voucher program designed to replace Section 8. The proposal had come under attack from both Republican and Democratic lawmakers who feared that thousands of families would be turned out of their homes.

The Bush administration, however, continues to support the measure.

In an August 6 New York Times opinion column, HUD Secretary Alfonso Jackson called Section 8 "broken" and "overly prescriptive and unwieldy." He criticized the Appropriations Committee's cuts

Cecil County, MD Fair Market Rents

The U.S. Department of Housing and Urban Development recently released its new fair market rents (FMRs), which determine the level of rent subsidies for people in programs including Section 8. Households receive vouchers for a percentage of the FMR, and tenants are responsible for paying any remaining rent, according to HUD.

According to data published in the Federal Register on Oct. 1, 2004, and effective on that date, the fair market rent for a two bedroom apartment in Cecil County is \$802. This means that a family must have an income of \$15.43 per hourly wage, based on 40 hours/wk and no more than 30% of income for rent, to afford it.

If the family is larger, and needs a four bedroom apartment, the Cecil County FMR is \$1,200. and the per hour income needed to afford the rent is \$23.09.

Source: <http://www.hud.gov>

and urged Congress to vote on flexible vouchers this fall.

"History is showing us that reform, not additional funding, is really what we need," said HUD spokesperson Donna White. "We just see the flexible vouchers program as being able to serve more families by giving housing authorities the flexibility to administer the program or run the program in the way that will fit their local community."

HUD also contends flexible vouchers permit housing authorities to serve more low-income families. Funds would be allocated directly to housing authorities on a "dollar-based" block grant formula rather than the current "unit-based" formula.

David Helfert, communications director for the House Appropriations Committee's Democrats, said the administration is trying to use block grants to fund programs throughout the government despite bipartisan resistance.

"I think the local governments, the states, the cities, and everything else realize that when things become block grants the total funding tends to decrease significantly, that's been the pattern," said Helfert. "It's what we call in Texas a real 'shuck and jive' deal."

Helfert said that if the administration wants to press flexible vouchers, House Republicans could

attempt to amend the bill once it comes to the floor, although Helfert added that it would take some "pretty tall maneuvering" to do so.

However, Egan said flexible vouchers were "pretty much D.O.A." on Capitol Hill. "I have seen very little evidence of support for it there," he said. White and Scofield declined to speculate on flexible vouchers' prospects in the House.

At press time, the next step for the VA/HUD bill, which has been placed on the House calendar, was unclear. According to Helfert, the bill technically could go to the floor for consideration "at any time," but that was unlikely to be soon since lawmakers want to avoid voting on the more controversial provisions before the election.

In the Senate, legislators may combine remaining appropriation bills, including VA/HUD, into an omnibus bill, one single measure requiring an up or down vote. This time-consuming process would push action well beyond the election.

Although the federal budget year begins October 1, Congress may pass temporary spending measures, known as continuing resolutions, to fund affected agencies at current levels until the new budget is enacted.