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October 14, 2004

FUNDING INSTABILITY THREATENS TO ERODE BUSINESS COMMUNITY'S CONFIDENCE IN THE HOUSING VOUCHER PROGRAM

Ill-Considered Changes and Radical Proposals May Scare Off Property Owners, Lenders, and Others Needed to Make the Program Work

By Barbara Sard

At its core, the Section 8 housing voucher program represents a partnership between the *private sector*, which builds and maintains the housing occupied by voucher holders, and the *public sector*, which provides a subsidy to make the housing affordable to low-income families. For 30 years, this partnership has worked well, delivering decent-quality housing to millions of low-income families at costs that, over the long term, are lower than those of other forms of housing assistance.

Indeed, the voucher program has worked so well that its role in the overall system for providing affordable housing in the United States has expanded significantly over the years. The housing voucher program is now the largest rental assistance program in the country, and vouchers can be used not only to pay for the costs of rental housing that families locate in the private market — the original and still the most common use — but to finance the purchase of a home or the operation of a specific "project-based" development as well. Vouchers also play key roles in relocating families affected by the revitalization of public housing (through the HOPE VI program and other efforts) and the conversion of certain subsidized housing developments to market-rate housing.

The "glue" that holds together the public-private partnership of the housing voucher program is the confidence of the business community that the federal government will honor its financial commitments and make the payments it has promised to cover the difference between what voucher holders can afford to pay and the agreed-upon rent. For 30 years, Congress has honored this commitment to provide enough funding to cover the actual costs of all Section 8 subsidies, building a long-lasting record of reliability and confidence that has played a critical role in building acceptance of the voucher program among property owners, lenders and underwriters.

Unfortunately, recent events have tarnished the program's business reputation. In its budget requests for 2004 and 2005, the Administration sought to cut funding for the voucher program and convert the program to a block grant under which funding would bear no relationship to the actual cost of vouchers. Midway through 2004, HUD instituted new policies for distributing funds to state and local housing agencies that provide some agencies with less funding than they need to cover their voucher costs and some agencies with more funding than they need. The disruptions created by HUD's funding policies have been exacerbated in the last several months by the Department's announcement of plans to change sharply the "fair market rents" that limit the amount of the voucher subsidies housing agencies can provide and then its about-face on some of the proposed changes.

These actions — which HUD took with little or no consultation with the business community and other stakeholders — jeopardize the effectiveness of the program in meeting its goals. While the damage is not irreparable, it is serious and could worsen if the policies that gave rise to it are not quickly corrected.

This paper describes the damage that recent events have caused to the housing voucher program's reputation in the business community, outlines the consequences of this damage for the achievement of the program's goals, and specifies what needs to be done to correct the problem so as to ensure the continued success of the voucher program and the many housing and community development policies that rely upon vouchers.

In brief, HUD and Congress need to reaffirm their commitment to providing *ongoing funding for all housing vouchers in use at their actual costs*. Without such cost-based funding, owners, lenders, and underwriters will have no assurance that the federal government will support all the vouchers that Congress has authorized. In addition, the pace of policy changes in the housing voucher program must slow to a more deliberate, reflective pace that allows for full consideration of all potential consequences of proposed changes, input by groups affected by changes and careful, prospective implementation. It simply is not acceptable in the business world to retroactively and unilaterally change the terms of a business relationship, as HUD has done in retroactively implementing changes in Section 8 voucher funding this year.

By once again providing predictable and reliable funding for all housing vouchers, HUD and Congress can rehabilitate the critically important reputation of the housing voucher program among the program's business partners and get the voucher program back on track toward fulfilling its role as the cornerstone of this country's low-income rental housing assistance policy.

The Multiple Roles of the Housing Voucher Program in Housing and Community Development Policy

Housing vouchers play a number of different roles in the nation's overall housing and community development policy:

Tenant-Based Rental Assistance. Most of the families in the housing voucher program use the voucher to subsidize the cost of housing they rent on the private market. Under this primary component of the voucher program (known as tenant-based rental assistance because the assistance stays with the tenant), the family is responsible for finding a rental unit whose owner is willing to participate in the program. Participation by owners is generally voluntary. The housing agency pays the difference between 30 percent of the family's adjusted income and the contract rent (up to a maximum payment standard set by the housing agency). In return, the owner of the unit agrees to rent the unit to the voucher participant for a specified period of time, to maintain the unit in accordance with HUD's housing quality standards, to accept rent payments from both the tenant and the agency, and to a number of additional provisions specified in a mandatory addendum to the owner's standard lease.

HOPE VI Public Housing Revitalization. The HOPE VI program relies on housing vouchers in three main ways to advance the program's overall objective of revitalizing distressed public housing: to temporarily relocate families living in the public housing development undergoing renovation (or demolition and replacement with new housing) until revitalization of the development is completed; to permanently relocate families who choose not to (or who will be unable to) return to the revitalized development; and to compensate the community for the loss of subsidized housing units attributable to the reduction in density caused by the HOPE VI revitalization activity. In addition, some HOPE VI sites rely on vouchers to help ensure access by low-income families to market rate units and units with Low Income Housing Tax Credits that are part of the revitalized developments and to help families access homeownership (see below).

Preventing Displacement. Housing vouchers are also used to help families displaced by (or at risk of displacement by) other national housing policies including conversion of subsidized developments to market-rate housing, termination of the contract of an owner of a privately owned subsidized development for failure to comply with program rules and public housing demolition other than HOPE VI revitalization.[1]

Project-basing of Vouchers. In each of the above program variants, the housing voucher travels with the tenant (and hence, provides "tenant-based rental assistance"). But housing vouchers can also be used to fund "project-based rental assistance," in which the vouchers are attached to specific structures (i.e., are project-based). This option helps residents served by a housing agency that may be having difficulty finding owners willing to rent to them. It also helps the owner by ensuring the owner a guaranteed stream of rent (so long as the owner adequately maintains the property) over the term of the project-based voucher contract. By avoiding the steep rent increases that occur in rising markets, project-basing vouchers under a long-term contract can reduce future growth in voucher costs. State and local housing agencies are allowed to project-base up to 20 percent of their overall pool of housing vouchers.

Section 8 Homeownership. Over the last several years, state and local housing agencies have begun implementing a new program option that allows housing vouchers to be used for homeownership. The basic principle of the program is simple: in areas where the monthly costs of purchasing a home are less than or equal to the costs of renting, why not allow families to use their housing vouchers to cover their monthly homeownership costs rather than for rent? Housing vouchers can allow families to purchase homes with little or no additional subsidy in a substantial number of markets.[2] In higher-cost markets, housing vouchers can be matched with additional subsidies available through a variety of sources to bring homeownership within reach.

Section 8 Funding Instability

As described more fully in the next section, the voucher program relies heavily on the cooperation of the private sector to accomplish its multiple objectives. A number of actions by the Administration and Congress over the last several years, however, have tarnished the business reputation of the Section 8 housing voucher program, undermining the program's ability to secure private market participation. The following is a chronology of these actions.

- **February 2003: Administration proposes conversion of voucher program to state-administered block grant and cuts in voucher funding.** The Administration proposed, as part of its fiscal year 2004 budget, to convert the housing voucher program from a program administered by some 2,500 state and (primarily) local housing agencies to a block grant program administered entirely at the state level, beginning in 2005. Under this proposal, Congress would have set a funding level for the voucher program each year, with no link between that funding level and the actual cost of vouchers. In addition, the proposal would have swept away most of the rules governing the voucher program, allowing states to take steps — such as imposing time limits or sharply cutting voucher subsidy levels — that would be disruptive to owners who rent to voucher holders. At the same time, the Administration requested a funding level for fiscal year 2004 that was significantly below the amount needed to support all vouchers in use.

  Within several months. it became apparent that Congress was unlikely to take action on the Administration's block-grant proposal. Large funding cuts in fiscal year 2004, however, remained under consideration until November 2003, two months into the 2004 fiscal year, when a House-Senate agreement to provide adequate funding for the voucher program became public. Throughout this period, the Administration insisted that the amount of funding it had requested was adequate to cover actual voucher costs, despite analyses by the Congressional Budget Office and other outside analysts showing this was not the case.

- **February 2004: Administration proposes conversion of voucher program to block grant run by current administering agencies and deep cuts in voucher funding.** As part of its fiscal year 2005 budget, the Administration again sought to convert the voucher program to a block grant. This time, the Administration proposed that the local and state agencies currently running the program would continue to administer the new voucher block grant, rather than seeking to transfer the entire program to the states. While not proposing to change the agencies running the program, however, the fiscal year 2005 proposal is in other respects more radical than the initial proposal. The block grant proposed for fiscal year 2005 would give public housing agencies virtually unlimited authority to change the current program structure, eliminating the uniform subsidy structure currently in place around the country.

The 2005 budget also sought to cut funding more deeply than the 2004 budget did. The Administration requested a funding level that was more that $1 billion below the 2004 funding level and at least $1.6 billion below the amount needed to continue serving the same number of families at the current level of services. Moreover, the Administration's budget documents call for even deeper reductions in Section 8 funding over the next five years, with cuts rising by 2009 to $4.6 billion below the amount needed to keep the program at its current level.[3]

Congress has not yet passed an appropriations bill for HUD funding in fiscal year 2005, so it is not yet clear whether further changes will be made to the housing voucher funding process. Both the House and Senate Appropriations Committees have passed bills that would restore all or nearly all of the funding for the voucher program that the Administration had proposed to cut and that do not convert the program to a block grant.

Both bills, however, contain provisions regarding the manner in which HUD distributes funds to state and local housing agencies that raise serious concerns. The report that accompanies the House committee bill would require HUD to use a "dollar-based" funding structure that would not base funding on agencies' actual costs — and therefore could cause serious funding shortfalls that would harm tenants, property owners and others. The Senate bill appears intended to require HUD to provide enough funding to cover the actual costs of vouchers under most circumstances. But important technical changes would be needed to allow it to achieve this purpose; without such changes, the Senate bill also could result in large shortfalls and could prevent some agencies from using available vouchers to serve families on their waiting lists.[4]

Uncertainty about how housing vouchers will be funded in fiscal year 2005 will continue well into the new fiscal year (which began on October 1, 2004), as Congress will not enact a final bill funding the voucher program until mid-to-late November at the earliest. It is possible that Congress will not pass a final bill until early in calendar year 2005.

- **April 2004: HUD announces a change in the way public housing agencies will be funded in 2004 and implements it retroactive to January 2004.** The details of this new policy were slow to emerge, with most agencies only finding out in mid-May how much money they would receive for the calendar year and with HUD continually adjusting the policy through the summer. HUD claimed the policy change was required by language included in the Appropriations bill providing HUD with funding for fiscal year 2004. While Congress did make some changes in fiscal year 2004 voucher funding, the appropriations bill did not require HUD to adopt the rigid policy it chose nor to implement the new funding policy as harshly or as awkwardly as HUD did.[5]

  Under HUD's new policy, public housing agencies are no longer funded based on the actual costs of the vouchers they administer. Rather, funding is capped based on a per-voucher cost for the agency from mid-2003 plus a regional inflation factor. There are a number of reasons why a particular housing agency's costs may have gone up more than the rent index for the region as a whole. Among other reasons for higher subsidy costs are: reductions in tenant incomes due to decline in the local economy (requiring the agency to increase subsidies to owners); increases in average family size (leading to greater utilization of larger rental units); and local housing market variations that diverge from the regional trend. Agencies whose costs increased more than HUD's inflation factor could appeal for additional funding, but HUD declined to consider appeals based on changes in tenant income or family size. With the grounds of appeal limited and the results of such appeals uncertain, many agencies decided they had to take immediate steps to reduce voucher spending.[6]

At the end of August 2004, HUD notified 379 agencies that they would receive some additional funding this year. It appears that these additional funds are sufficient to eliminate the anticipated shortfall for some agencies but not for all. Many other agencies facing a shortfall did not appeal, either because they did not think they would prevail given the limited grounds for appeal that HUD specified or because of insufficient staff time. Even agencies that received the funds they needed for this year may be reluctant to reverse policy changes they instituted to reduce costs, due to uncertainty about what next year will bring.

Agencies have engaged in a great variety of cost-cutting measures, including freezing the issuance of new vouchers, blocking rent increases even if they were in line with rent trends in the local housing market, asking owners to agree to rent decreases, and decreasing the maximum subsidy that a voucher provides. A few agencies have been forced to back out of contracts for project-based voucher assistance due to insufficient funds. As one might expect, these changes have not gone unnoticed among the program's business partners, leading some owners of rental housing to drop out of the program and some lenders and underwriters to become more cautious about providing credit based on expectations of adequate future Section 8 funding.

- **August 2004: HUD announces plans to change sharply the "Fair Market Rents" that determine voucher subsidy levels without completing the normal process for ensuring that the rents are set at the proper level.** On August 6, 2004, HUD published proposed new Fair Market Rents for use in fiscal year 2005. Fair Market Rents (FMRs), which are based on market rents in local areas around the country, are used to set the maximum amount of rent that a voucher can cover. For many local areas, the proposed 2005 FMRs were sharply different from the 2004 level. The sharp changes resulted from a shift in the geographic boundaries of the local areas for which HUD sets FMRs, other changes in the method by which HUD calculates FMRs, and the use of newly available rent data from the 2000 census.

In most years, HUD publishes proposed FMRs in May, allowing more than four months for the Department to receive and process public comments before the final Fair Market Rents go into effect at the start of the following fiscal year on October 1. This year, HUD published the proposed Fair Market Rents about three months behind the normal schedule and failed to delay their implementation beyond October 1. As a result, only a very brief period was available for the submission of public comments — which often provide local rent data that HUD relies on to set FMRs more accurately — before the FMRs were put into effect.[7] HUD indicated that it would continue to accept comments on the FMRs through November 5, but these comments will not be reviewed until after the new FMRs have been in effect for a considerable period.

On September 29, three days before the proposed 2005 FMRs were due to take effect, HUD announced in a press release that it would not follow through with proposed changes in the geographic areas used to set the new FMRs due to the outpouring of criticism directed at these ill-considered changes. This announcement reduced the magnitude of increases and decreases in FMRs in some parts of the country. But because the new geographic boundaries were only one of several factors driving the large FMR changes, the final FMRs published on October 1 nonetheless will result in major disruptions to the voucher program. HUD took no action to delay the implementation of the FMRs in order to allow for a normal public comment period to be completed.

In many parts of the country vouchers will cover less rent. This is particularly true for vouchers for three-bedroom and larger units. HUD has reduced the FMRs for larger bedroom units in areas with roughly half of the nation's renter households, despite the lower rate of success larger families typically experience in using vouchers.[8] In addition, in areas where FMRs are cut sharply, housing agencies are required to reassess whether the rents that vouchers cover are reasonable when compared with rents for comparable units rented without vouchers. Such reassessments would impose substantial added administrative costs on housing agencies and, in some cases, on property owners.

Potential Consequences of Continued Instability in the Voucher Program

There is no way to predict with certainty exactly how the business community will react to the funding instability surrounding Section 8 housing vouchers. There are enough signs of unrest among the program's business partners, however, to justify concern that lasting damage to the program's reputation has already been inflicted and that such damage will undermine the program's ability to achieve its goals. If Congress and the Administration do not reaffirm the historic commitment to sustain funding for all vouchers in use at their actual cost, such problems are likely only to grow worse.

The following is a description of the potential consequences of the business community's diminished confidence in the reliability of housing voucher funding — consequences that will become more probable if voucher funding is not quickly stabilized.

More Owners Will Decline to Lease Their Rental Units to Families with Section 8 Vouchers

Reductions in maximum voucher payments, as a way for state and local housing agencies to cope with shortfalls in voucher funding, reduce the range of rental units affordable to families with vouchers. Even more troubling, however, is the potential for additional property owners to decide that the risks that HUD will not pay the full rent on time, combined with the administrative burdens placed on owners under the voucher program — such as annual housing quality inspections and accepting split payments from tenants and housing agencies — outweigh the benefits of participation.

This concern is particularly salient in "tight" housing markets (where demand outstrips supply) and in more desirable neighborhoods such as those that have a lower concentration of poverty, better access to public transportation, better schools, and more employment opportunities. Property owners in such areas already have other options, and it may take only one bad experience — one missed or reduced rent payment or one call from a PHA asking them to reduce their rents or forgo a planned rent increase due to funding shortfalls from HUD — to sour them on the whole program. Of course, it is precisely in "tight" markets that affordable housing is most difficult to obtain without vouchers; and it is by helping low-income families access more desirable neighborhoods that housing vouchers have their maximum impact in improving the life opportunities and self-sufficiency of voucher holders.

It is unlikely that the confidence of the business community will ebb to such a degree that housing agencies will be unable to find *any* owners willing to rent to voucher holders. It is quite conceivable, however, that the range of willing partners will become so narrow that voucher-holders will become more concentrated in neighborhoods with high poverty and crime rates and less access to education and job opportunities.

Undermining Owner Confidence in the Tenant-Based Voucher Program

As a result of the fiscal year 2004 funding shortfalls, many housing authorities stopped approving owner requests for rent increases, even when justified by rising property taxes or market conditions. These include housing agencies in: Kern County, California; Willimantic, Connecticut; Calvert County, Maryland, Asheboro, North Carolina; Cuyahoga County, Ohio; and Lebanon County, Pennsylvania, as well as the Metropolitan Housing Council in Minnesota and Lake Metropolitan Housing Authority in Ohio.

Other housing authorities have gone further and actually reduced rents. For example, the Boston Housing Authority unilaterally reduced rents by seven percent (though it allowed appeals). Similarly, the St. Paul Public Housing Agency in Minnesota instituted an across-the-board seven percent reduction in rents on September 1. The Quincy Housing Authority (QHA) in Massachusetts sent letters to 945 landlords and tenants telling them there would be no June rent payments at all. As a result, about 40 landlords indicated they would leave the program. In late June, QHA received additional funds from HUD that enabled it to pay owners about 70 percent of the funds owed. But the damage to the program's reputation had already been done.

Funding problems have been so severe in such places as Elgin, IL that agencies have terminated the contracts of existing voucher holders, irrevocably damaging the vouchers program's reputation as well as depriving families of an affordable place to live. Other housing agencies around the country are still considering similar steps.

HOPE VI Revitalization and Resident Displacement

In many cities, the HOPE VI public housing revitalization program has been controversial. The controversy typically stems from concerns about the loss of deeply subsidized rental units, due to the fact that the revitalized developments tend to have many fewer units of public housing than the developments they replace, concerns that the original residents have been left out of the planning process and may not have an adequate opportunity to return to the revitalized development, and concerns that families are not given adequate assistance with relocation. These controversies have at times led to lawsuits that have held up some projects for months or even years.

The smooth and effective relocation of families with housing vouchers is an essential component to the resolution of these tensions and the removal of obstacles to the revitalization project moving forward. When vouchers are working effectively in a community, the original residents know that the vouchers will secure them housing that is at least as good (and often better) than the housing they have left. When vouchers are not working effectively, however, the residents will fear that relocation with vouchers will leave them worse off and thus have little incentive to cooperate with the housing authority to allow the project to move forward.

To the extent that vouchers become harder to use due to the worsening of the voucher program's reputation in the business community, and to the extent that funding instabilities cause residents to fear their Section 8 voucher subsidies will be reduced or terminated, it will be harder to secure residents' cooperation to allow HOPE VI revitalization to move forward smoothly.

Similar concerns apply to some of the other forms of resident displacement discussed above from other public housing demolition or from the expiration of federal subsidies to privately-owned developments. To the extent that residents do not feel confident that housing vouchers will lead to equally good housing opportunities, they will strongly oppose such changes. For example, an owner of a subsidized multifamily development may seek to convert the development to market-rate housing in order to generate increased rental revenue that can support financing for major repairs and modernization. Federal policy now provides tenant-based vouchers to seniors, disabled individuals and other families whose rent would become unaffordable as a result of the conversion. If the conversion runs into major resident opposition due to concerns about the stability of the Section 8 subsidies the residents would receive, it may be unsuccessful, depriving the owner of the financing needed to preserve the property.

Project-Basing of Vouchers and Section 8 Homeownership

For these options to work effectively, lenders need to be willing to extend long-term credit based on the expectation that HUD will honor its commitments to provide funding at the expected level. In the Section 8 homeownership program, the credit is in the form of a mortgage. In the project-based voucher program, the credit is in the form of financing that the property owner uses to purchase or maintain the property. The principle is the same. If the voucher cannot be relied upon, the program option will not work.

The instability of housing voucher funding has already taken its toll on these program options, as illustrated by the following statement issued in May 2004 by Esther Schlorholtz, Senior Vice President & Community Reinvestment Act Officer for Boston Private Bank & Trust Company:

> Boston Private Bank was in the process of creating a home mortgage product based on the Section 8 Homeownership Program. Because of HUD's recent interpretation of Section 8 regulations that would not have reimbursed for actual costs of the program as well as substantial proposed budget cuts, Boston Private Bank has decided not to continue creating this mortgage product at this time; however we will continue to work to create other new products that promote homeownership for low- and moderate-income people. The Bank also finances affordable rental properties that include very low-income tenants with Section 8 vouchers. The Bank relies on the Section 8 program as fundamental to the financial feasibility of these properties. Currently, the Bank is reevaluating whether it can finance affordable housing developments that rely on the Section 8 program. The Section 8 program is a critical resource that ensures very low-income households have stable, affordable housing. Loss of confidence in the program will have far reaching consequences. Boston Private Bank continues its strong commitment to financing affordable housing and promoting stable communities.

A number of public housing agencies have stopped admitting new families to their Section 8 homeownership programs, out of concern that they cannot assure families and their lenders that future payments would be secure.

In addition to the uncertainty caused by changes in funding policy and proposed cuts in the total funding available, block-granting the voucher program also would weaken the Section 8 homeownership program by eliminating the uniformity of the subsidy across jurisdictions. This uniformity is important because after making a mortgage loan to a homeowner, most lenders then sell the loan through the secondary mortgage market to a large financial institution such as Fannie Mae. This practice allows lenders to better manage the risks of lending to homeowners and to have funds available to make additional local loans. The national companies that purchase mortgage loans from lenders, however, require that the loans they buy meet certain standards that enable the national organization to readily evaluate the risk each loan entails. By allowing each housing agency to set its own subsidy terms, a block grant would make it virtually impossible for the secondary market to develop such national standards. If they are unable to sell Section 8 homeownership loans on the secondary market, few mortgage lenders will be willing to participate in the program.

Shortfalls resulting from HUD’s fiscal year 2004 funding policy have led a number of housing authorities to terminate or delay project-based Section 8 contracts, lending credence to fears that Section 8 may not be a reliable funding stream against which to extend credit. The Sacramento, California, Housing Authority, for example, canceled or reduced 216 project-based voucher contracts as of June 30, 2004. The Springfield, Massachusetts, Housing Authority is canceling contracts for 23 project-based vouchers. Similarly, the Milford, Connecticut, Housing Authority canceled plans to project-base about 30 vouchers in a supportive housing project for the homeless and to use other vouchers for one-year transitional housing for the homeless.

Restoring Confidence in Section 8 Vouchers

To restore the confidence of the business community in the Section 8 voucher program, HUD and Congress need to reaffirm their commitment to providing ongoing funding for all housing vouchers in use at their actual costs. Without such cost-based funding, owners, lenders, and underwriters will have no assurance that the federal government will support all the vouchers that Congress has authorized. In addition, the pace of policy changes in the housing voucher program must slow to a more deliberate, reflective pace that allows for full consideration of all potential consequences of proposed changes, input by groups affected by changes and careful, prospective implementation. It is not acceptable in the business world to retroactively and unilaterally change the terms of a business relationship, as HUD has done in retroactively implementing changes in Section 8 voucher funding midway through 2004.

By once again providing predictable and reliable funding for all housing vouchers, HUD and Congress can rehabilitate the critically important reputation of the housing voucher program among the program's business partners and get the voucher program back on track toward fulfilling its role as the cornerstone of this country's low-income rental housing assistance policy.

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[1] See National Housing Trust, *Changes to Project-Based Multifamily Units in HUD's Inventory Between 1995 and 2003*, available on the internet at http://www.nhtinc.org/documents/PB_Inventory.pdf

[2] An internal CBPP analysis of 1998 realtor-assisted sales data for 138 metropolitan areas indicated that Section 8 homeownership had the potential to be used to purchase off-the-shelf housing in most metropolitan areas. In fact, of the 138 metro areas studied, 130, or 94 percent, showed the availability of *some* affordable 2-bedroom and 3-bedroom homes and condominiums with the use of 2-bedroom or 3-bedroom vouchers. The analysis also suggested that the program could work well in rural areas. While there have been significant changes in both rental and housing prices since 1998, more recent analyses similarly find that the program has the potential to be applied in a broad array of markets. See, e.g., Neighborhood Reinvestment Corporation. 2002. *Section 8 Program Expands Housing Options to Include Home Ownership*. In any event, by layering additional subsidies already available through other programs, the program has the potential to be used in nearly all markets.

[3] For more information, see Barbara Sard and Will Fischer, "Administration Seeks Deep Cuts in Housing Vouchers and Conversion of Program to a Block Grant," March 24, 2004, available on the Internet at http://www.cbpp.org/2-12-04hous.pdf.

[4] CBPP will release shortly a detailed analysis of the House and Senate bills.

[5] For more information, see Barbara Sard and Will Fischer, "Further Action By HUD Needed to Halt Cuts in Housing Assistance for Low-Income Families," July 15, 2004, available on the Internet at: http://www.cbpp.org/4-26-04hous.htm.

[6] See "Local Consequences of HUD's Fiscal Year 2004 Voucher Funding Policy," August 16, 2004, available on the Internet at: http://www.cbpp.org/7-15-04hous-survey.htm.

[7] See Will Fischer and Barbara Sard, "Hasty Changes to HUD's 'Fair Market Rents' Would Disrupt Housing Assistance," available on the internet at http://www.cbpp.org/9-16-04hous.htm.

[8] See Will Fischer, Barbara Sard and Tara O'Neill, "Large Families Face Higher Rent Burdens And Fewer Housing Opportunities Under New HUD Rent Rules," available on the internet at http://www.cbpp.org/10-12-04hous.htm.