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Special Series: **Economic Recovery Watch**

January 8, 2009

Appendix:
Estimated State Shares of Recommended Increases in Housing Vouchers and ESG Homelessness Prevention Funding

State	Number of New Vouchers	Amount of New ESG Funds	Estimated Number of Households Assisted with New ESG Funds
Alabama	2,538	$26,836,638	7,442
Alaska	413	$2,564,888	436
Arizona	2,734	$29,417,925	5,869
Arkansas	1,812	$14,957,550	4,183
California	32,479	$254,209,250	33,580
Colorado	2,486	$20,776,713	4,100
Connecticut	2,197	$22,696,525	3,410
Delaware	394	$3,918,975	748
District of Columbia	814	$10,107,538	1,260
Florida	7,435	$87,595,463	15,358
Georgia	4,365	$44,760,263	10,158
Hawaii	680	$8,280,500	905
Idaho	850	$6,615,650	1,724
Illinois	8,622	$95,372,038	18,644
Indiana	3,673	$38,204,588	9,352
Iowa	1,684	$22,402,300	5,981
Kansas	1,440	$15,184,050	3,989
Kentucky	2,516	$24,804,300	6,687
Louisiana	2,684	$33,812,038	7,478
Maine	993	$10,756,575	2,278
Maryland	2,511	$30,214,763	4,524
Massachusetts	6,013	$59,688,875	8,255
Michigan	5,517	$71,702,063	15,986
Minnesota	2,908	$31,589,625	6,822
Mississippi	1,440	$19,139,350	5,101
Missouri	3,529	$36,684,238	9,369
Montana	793	$5,003,588	1,317
Nebraska	1,140	$10,555,900	2,764
Nevada	1,194	$11,006,600	1,882
New Hampshire	793	$7,188,475	1,172
New Jersey	5,618	$54,922,800	7,832
New Mexico	952	$11,444,463	2,870
New York	25,345	$190,110,688	26,182
North Carolina	4,765	$38,736,925	9,385
North Dakota	490	$3,456,425	1,054

State	Number of New Vouchers	Amount of New ESG Funds	Estimated Number of Households Assisted with New ESG Funds
Ohio	7,751	$88,181,650	21,395
Oklahoma	2,042	$16,467,075	4,469
Oregon	2,957	$19,936,338	4,562
Pennsylvania	8,642	$120,807,625	26,400
Rhode Island	1,035	$9,330,488	1,496
South Carolina	2,135	$21,140,588	5,190
South Dakota	556	$4,346,150	1,232
Tennessee	3,214	$27,235,200	6,977
Texas	12,291	$138,826,538	29,327
Utah	1,190	$11,170,225	2,622
Vermont	506	$4,539,113	896
Virginia	3,868	$33,331,313	5,844
Washington	4,803	$33,437,763	6,655
West Virginia	1,049	$13,662,188	3,997
Wisconsin	3,829	$36,345,513	8,387
Wyoming	318	$2,288,125	608

Methodology

Housing Vouchers

We have assumed that the proposed 200,000 additional vouchers would be allocated under the "fair share" rules of current law (42 U.S.C. sec. 1439(d) and 24 CFR 791.402.) These rules prescribe six factors.[1] We used the Public Use Microdata Sample of the 2007 American Community Survey (ACS) one-year estimates to calculate the six factors for each state in order to determine the relative need for assistance according to the prescribed formula.[2] These are the factors we used:

1. Renter population (20%) — the number of renter households.[3]
2. Poor renters (20%) — the number of renter households with annual incomes at or below the federal poverty line.
3. Overcrowded rental housing (10%) — the number of renter-occupied units with an occupancy ratio of 1.01 or more persons per room.

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[1] To attempt to replicate the method HUD would use to allocate new funds, we relied on the description of HUD's methodology in an analysis of the fair share formula by the Joint Center for Housing Studies for two of the factors. William C. Apgar and Christopher E. Herbert, "Fair Access to Housing Assistance Resources: An Examination of the Allocation Process for Section 8 Vouchers and Certificates," Working Paper W94-2, Harvard University, 1994.

[2] Because ACS data is not available for U.S. territories, we have not allocated any share of the 200,000 new vouchers to those jurisdictions. It is unclear to us what data source HUD would use to make those allocations. As of January 2008, only 35,741 of the 2.19M authorized vouchers were in the territories, so this omission likely has little effect of the estimates presented.

[3] The regulation describes the first factor as the "renter population." The JCHS report indicates that HUD interprets this to mean the number of renter *households*, and we followed that interpretation.

4. Rental vacancies (10%) — the number of additional units that would be needed to bring the state's rental vacancy rate to the national rate of 7.9% indicated by 2007 ACS data.[4]
5. Substandard rental housing (20%) — the number of housing units built before 1940 and occupied by renters with annual incomes at or below the poverty level.
6. Rental burden for poor households (20%) — the number of renter households with annual incomes at or below 50 percent of the state's median income who pay more than 30 percent of their gross income for rent. (The regulation directs HUD to include "other objectively measurable conditions" weighted at 20% and offers as an example "the number of renter households with incomes below specified levels and paying a gross rent of more than 30 percent of household income." We operationalized this sixth factor by setting the ceiling income at 50 percent of the state median.)[5]

For each factor, we divided each state's raw number by the national total meeting the criteria. The factors were then aggregated according to the weights noted above to create the state's "fair share" of new vouchers. The proposed 200,000 new vouchers were allocated according to these shares.

Emergency Shelter Grant Homelessness Prevention Funds

We estimated each state's share of the proposed $2 billion in new ESG funds by giving each state the same share of $2 billion as it received of the ESG funding awarded in 2008.[6] These shares take the territories into account, although they are not shown in the table.

To estimate the number of households assisted by new ESG funds in each state, we assumed that the national average ESG cost per household assisted would be $5,000 (including the pro rata share of administrative costs), and used the state's average HUD Fair Market Rent for a two-bedroom apartment in 2008 to get a weighted state average ESG household cost. The new ESG funds allocated to each state under the 2008 formula were divided by this weighted average.

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[4] The fair share regulation specifies that the vacancy factor is the number of renter units required to maintain vacancies at "levels typical of balanced market conditions." The JCHS report indicates that HUD has interpreted this level as the national average vacancy rate, rather than a specific normative level. (The JCHS report also indicates that HUD measures the number of units vacant for two months or more, but we were unable to replicate this measure using the ACS data.) If the state's rental vacancy rate was above 7.9 percent, it was given a zero for that measure.

[5] Following the convention used for HUD's Worst Case Needs reports, when counting households for factors with an income threshold (2, 5, and 6), households with zero or negative annual incomes are not counted as falling below the threshold.

[6] The 2008 ESG allocations are available at http://www.hud.gov/offices/cpd/about/budget/budget08/index.cfm.