

November 1, 2006

## HOUSING VOUCHERS FUNDED IN HAWAII UNDER PENDING PROPOSALS

Due largely to the flaws in the formula for distributing “Section 8” housing voucher funding, the share of vouchers in use in Hawaii has fallen over the past few years, from 89 percent in 2004 to a projected 78 percent in 2006. In other words, **1,226 vouchers have already been cut** in Hawaii over the past two years.

For 2007, Congress will have to choose among three funding approaches that have been put forward. Each provides the same new funding for the program nationally in 2007, but uses a different method for distributing the money among the 2,400 state and local housing agencies. Here is the impact that each of the three formulas would have on Hawaii.

- Under the formula in the Section 8 Voucher Reform Act (or SEVRA), a bill passed by the House Financial Services Committee on June 14, 2006, ***all vouchers in use in Hawaii in 2006 would be funded***. Moreover, agencies in Hawaii would receive enough funding to restore vouchers that have been cut in recent years. Overall, **100 percent of Hawaii’s currently authorized vouchers would be funded** under the SEVRA formula.
- The formula in the Senate appropriations bill would also renew funding for all vouchers in use in Hawaii in 2006. However, it would not provide agencies in Hawaii with enough funding to restore a substantial share of the vouchers that have been cut in recent years. Overall, **80 percent of Hawaii’s currently authorized vouchers would be funded** under the Senate appropriations formula.
- Under the formula in the House appropriations bill, 2 housing agencies in Hawaii would be forced to cut assistance to 76 low-income families in 2007. **78 percent of Hawaii’s currently authorized vouchers would be funded** under the House appropriations formula.

For a description of the pending proposals for distribution of renewal funding to state and local agencies and an analysis of their national impact, see "Fixing the Housing Voucher Formula: A No-Cost Way to Strengthen the Section 8 Program," <http://www.cbpp.org/11-1-06hous.htm>. The paper's Technical Appendix explains the sources and methods for the data in this table.

**Agency Estimates (next page)**

Agency Estimates

Housing Agency	HUD Code	Authorized Vouchers as of Jan. 2006	Vouchers in Use in 2006 (Estimated)	Authorized Vouchers Funded in 2007			Vouchers in Use That Would Be Cut Under House Appropriations Bill
				SEVRA	Senate Appropriations Bill	House Appropriations Bill	
HI Co. Housing Agency	hi002	1,796	1,567	1,796	1,598	1,585	0
HI Housing and CDC	hi901	3,058	1,995	3,058	2,035	2,002	0
Honolulu City and Co.	hi003	4,291	3,767	4,291	3,842	3,702	65
Kauai Co. Housing Agency	hi005	1,345	708	1,345	722	697	10
Maui Co.	hi004	1,464	1,338	1,464	1,365	1,352	0
<b>Total</b>		<b>11,954</b>	<b>9,375</b>	<b>11,954</b>	<b>9,561</b>	<b>9,338</b>	<b>76</b>

\*Agency received new "tenant protection" vouchers from HUD in 2005 to replace demolished public housing units or privately-owned units that no longer receive project-based federal housing assistance. Incomplete information was available to estimate the additional funding due these agencies in 2007 to renew these vouchers under each of the approaches. As a result, estimates for these agencies may be too low, and under the House approach may be too low or too high.

\*\*Agency took over administration of additional vouchers from another agency in 2005 or early 2006. Our estimates may not fully account for the effect of the consolidation on the agency's likely funding in 2007.