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November 1, 2006

Budget and Policy Priorities

Center on

HOUSING VOUCHERS FUNDED IN THE DISTRICT OF COLUMBIA 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 the District of Columbia has fallen over the past few years, from 98 percent in 2004 to a projected 97 percent in 2006. In other words, **138 vouchers have already** been cut in the District of Columbia 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 the District of Columbia.

- Under two of the formulas those in the Section 8 Voucher Reform Act (or SEVRA) passed by the House Financial Services Committee on June 14, 2006, and in the Senate appropriations bill *all vouchers in use in the District of Columbia in 2006 would be funded.*Moreover, the District of Columbia Housing Authority (which administers all vouchers in the District of Columbia) would receive enough funding to restore vouchers that have been cut in recent years. Overall, <u>99 percent</u> of the District of Columbia's currently authorized vouchers would be funded under the SEVRA and Senate appropriations formulas.
- Under the formula in the House appropriations bill, the District of Columbia Housing Authority would be forced to cut assistance to 781 low-income families in 2007. **Only 90**percent of the District of Columbia'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

		Authorized Vouchers	Vouchers in	Authorized Vouchers Funded in 2007 Senate House			Vouchers in Use That Would Be Cut Under House
Housing Agency	HUD Code	as of Jan. 2006	Use in 2006 (Estimated)	SEVRA	Appropriations Bill	Appropriations Bill	Appropriations Bill
DCHA*	dc001	11,037	10,716	10,913	10,913	9,935	781
Total		11,037	10,716	10,913	10,913	9,935	781

^{*}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.