



CENTER ON BUDGET AND POLICY PRIORITIES

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ESTIMATED VOUCHER FUNDING SHORTFALLS IN 2005, 2006 AND 2010

District of Columbia

This table displays estimates of cuts in housing voucher assistance under the actual 2005 voucher funding level, the Administration's 2006 budget request, and an estimate of the Administration's budget plan for 2010 based on the limited information available to the public.ⁱ (Please see the endnotes for the methods used to develop these estimates.) The table below can be read as follows:

"In 2005, [housing agency] will receive [2005 funding shortfall] less fundingⁱⁱ than it needs to support its vouchers, causing an estimated [2005 cut in families assisted] low-income families to go without housing assistance.ⁱⁱⁱ Under the Administration's budget for 2006, the funding gap confronting the agency will drop to [2006 funding shortfall], allowing it to restore temporarily [2006 number of cut vouchers restored] of the vouchers that were cut in 2005. But estimates based on available information on the Administration's budget plans through 2010 show the shortfall widening to approximately [2010 funding shortfall], eliminating all of the vouchers restored in 2006 and cutting the number of families assisted by a further [2010 cut in families assisted below 2005 level]."

Housing Agency	Current Number of Authorized Vouchers	2005 Actual Funding		2006 Administration Request		2010 Administration Budget Plan (Estimated)	
		Funding Shortfall	Cut in Families Assisted	Funding Shortfall	Number of Cut Vouchers Restored	Funding Shortfall	Cut in Families Assisted Below 2005 Level
DC HA	10,514	-\$4,150,192	-400	-\$2,220,149	192	-\$26,850,623	-1,870
Kenilworth RMC (DC HA)	464	-\$184,533	-18	-\$96,454	9	-\$1,166,524	-82
Washington, DC	10,978	-\$4,334,725	-418	-\$2,316,604	201	-\$28,017,147	-1,952

ⁱ The Administration has released its planned 2010 funding level for a "housing assistance" category that includes the voucher program, public housing and several other programs taken together, but has not released a funding level for the voucher program separately. We have estimated the 2010 voucher funding level by assuming that the Administration plans to cut all housing assistance programs proportionately. It is possible that the Administration actually intends to impose larger cuts in voucher assistance than we estimate and smaller cuts in other programs, or vice versa. See Appendix, "The Basis for the Estimate that the Budget Would Support 370,000 Fewer Vouchers in 2010," <http://www.cbpp.org/2-18-05hous-app.htm>.

ⁱⁱ We assume that the amount of funding needed to support an agency's vouchers in 2005 is equal to the agency's average voucher cost in May-July 2004 plus the applicable HUD inflation adjustment, multiplied by the sum of the number of the agency's vouchers in use in May-July 2004 and the number of new vouchers requiring funding that were issued to families losing public housing or other types of federal housing assistance. In 2006 and 2010 we assumed the agencies would need funding for approximately the same number of vouchers as in 2005, but that the average cost of these vouchers would rise based on a national average CBO voucher cost inflation estimate.

ⁱⁱⁱ All figures in the table assume that agencies will respond to funding shortfalls by reducing the number of families assisted. Agencies also have some limited flexibility to reduce the level of assistance provided per family, for example by shifting rental burdens onto needy households or reducing the maximum amount of rent a voucher can cover (and therefore limiting the ability of voucher households to live outside high-poverty neighborhoods in areas that may be safer and with better schools and more job opportunities). If agencies took these measures, the reduction in the number of families assisted could be somewhat smaller.