

The Plan to Devastate Vouchers

2040 low-income, elderly, and disabled families in Delaware could lose much or all of their federal housing assistance under funding cuts the Administration has proposed in the nation's principal low-income housing assistance program.

Known as the housing voucher program or "Section 8," the program provides low-income families with vouchers that help cover the cost of obtaining modest rental housing in the private market. The President's fiscal year 2005 budget calls for cutting the voucher program by more than \$1.6 billion in 2005, with the cut rising to \$4.6 billion - or 30 percent of the entire program - by 2009.

The five public housing authorities in the state which administer the voucher program throughout the state, would have their funding reduced by \$1,142,803 in 2005 and by \$3,045,386 in 2009 if the cuts are approved and are distributed proportionately among state and local housing agencies across the country.

The Delaware Housing Coalition (DHC) has been organizing Section 8 tenants in Delaware, including the Greenfield Manor complex in Bear, where residents fought to have their stays supported by special "Enhanced Vouchers." Under the new budget proposal, these enhanced vouchers are in peril.

Under current laws, these tenants should receive "Enhanced Vouchers" so that they can stay in their apartments even if the owners opt out. But the President's budget would eliminate owners' duty to accept Enhanced Vouchers from existing tenants and dramatically cut subsidy payments to regular voucher levels after one year, forcing out low income people unable to pay hundreds of dollars in additional rent each month.

Nationwide, at least 100,000 families currently receiving special Enhanced Vouchers will lose their homes next year if the President's new HUD budget request is adopted, according to NAHT. These families are in addition to the 250,000 fewer families in regular Section 8 Voucher units that will be aided by the President's fiscal year 2005 request, and 600,000 who will be phased out by 2009.

If these cuts are approved, local voucher assistance will have to shrink by 30 percent by 2009, at a time when the shortage of affordable housing is expected to continue growing. Nationally, the proposed cuts would force housing agencies to shrink the voucher program by more than a quarter million families next year or to charge an average of \$850 more per family in rent. Many of the families that lose assistance will have to divert scarce resources from basic needs such as food and child care in order to pay the rent. Others would no longer be able to afford their current apartments. Some of these people would wind up in homeless shelters or on the street."

So large are these cuts that if Delaware housing authorities chose to deal with them solely by reducing the number of families it assists, they would have to cut approximately 600 families from

Contact the Delaware Congressional Delegation: phone numbers, page 15.

Projected Delaware Voucher Losses

Housing Authority	Projected Loss by		
	Vouchers as of July 2003	2005	2009
Delaware State	1397	169	406
Dover	220	27	64
New Castle Co.	1725	209	502
Newark	200	24	58
Wilmington	1397	169	406
Total	4939	598	1436

Source: www.cbpp.org

the program next year and 1440 from the program by 2009. At present there are approximately 5000 vouchers in Delaware distributed among the five housing authorities.

Alternatively, if housing authorities chose to deal with the funding shortfall by increasing the rents that families with vouchers must pay, they would have to raise those rents by an average of \$801 for families in 2005, and by an average of \$2,083 in 2009, even though most families with vouchers already have incomes far below the poverty line. Families and elderly and disabled individuals receiving special "enhanced" voucher assistance to remain in apartments that have left federal housing subsidy programs could face even larger rent increases.

The Administration's budget also proposes converting the voucher program into a block grant, which would eliminate federal rules built into the program to protect voucher holders and to help make vouchers mobile from place to place.

Created in 1974, the voucher program currently assists about two million poor families with children, senior citizens, and people with disabilities. A 2001 report by the congressionally chartered Millennial Housing Commission termed the program the "linchpin" of federal housing policy and described it as "flexible, cost-effective, and successful in its mission."

Projected National Voucher Losses

By 2005	250,000
By 2009	600,000
Enhanced Vouchers	100,000

Source: www.cbpp.org and www.saveourhomes.org