

July 11, 2003

Honorable Christopher S. Bond  
Chairman, Appropriations Subcommittee on  
VA/HUD-Independent Agencies  
130 Dirksen Senate Office Building  
Washington, D.C. 20510

Honorable James T. Walsh  
Chairman, Appropriations Subcommittee on  
VA, HUD and Independent Agencies  
H143 Capitol  
Washington, D.C. 20515-6022

Dear Congressmembers,

A study just released today by the Center on Budget and Policy Priorities, based on housing agencies' recent submission of Section 8 leasing information to HUD and provided to Congress, found that the Section 8 Housing Choice Voucher (HCV) program could be under-funded by \$1.26 billion in FY 2004. The annual funding needs of the HCV program depend on two factors: the average cost per voucher and the proportion of vouchers in use. In both these critical areas, the FY 2004 HUD budget falls short of the amount needed to avoid cutting assistance.

The Administration's FY 2004 HUD Budget request, based on earlier HUD data, relied on the following assumptions: an average Section 8 voucher cost of \$6,372 per year and a 93.5 percent utilization rate. Newly-released HUD data (covering August 2002 to January 2003) reveals higher voucher costs and improved program efficiency—the average Section 8 voucher cost was \$6,588 annually and 94.9 percent of authorized vouchers were in use.

While the difference in data may seem small, the implications are huge. For example, New York City's two local housing agencies, the New York City Housing Authority (NYCHA) and the Department of Housing Preservation and Development (HPD) manage over 110,000 vouchers and have achieved voucher utilization rates of 97 and 100 percent, respectively. The Administration's 2004 budget request would result in a shortfall of \$238 million for New York City's Section 8 voucher program, which would endanger the housing stability of over 36,000 families.

I urge you to protect the funding of Section 8 Housing Choice Voucher in the FY 2004 HUD budget negotiations currently underway.

Respectfully submitted,

Elaine R. Toribio  
Policy Analyst

Cc: Hon. Barbara Mikulski  
Ranking Minority Member  
Senate Appropriations Subcommittee on VA/HUD-Independent Agencies

Hon. Alan B. Mollohan  
Ranking Minority Member  
House Appropriations Subcommittee on VA, HUD, and Independent Agencies

Hon. Charles E. Schumer  
United States Senator

Hon. Hillary Rodham Clinton  
United States Senator

Members of the Senate and House Appropriations Subcommittees VA/HUD

Members of the New York City Congressional Delegation