



Legislation Text

File #: Res 0907-2003, **Version:** A

Proposed Res. No. 907-A

Resolution opposing President Bush's FY 2004 budget proposal to eliminate the Section 8 Housing Voucher Choice program and replace it with block grants to the States and calling upon the New York State Congressional Delegation to oppose bills H.R. 1841 and S. 947, which would implement this proposal.

By Council Members Lopez, Avella, Barron, Comrie, Dilan, Gerson, Nelson, Quinn, Reed, Sanders, Sears, Vann, Yassky, Jackson, Brewer, Moskowitz, Gennaro, Reyna, Stewart, Seabrook and Weprin

Whereas, The Section 8 Housing Choice Voucher program, currently administered by the United States Department of Housing and Urban Development (HUD), is the nation's primary form of low-income housing assistance, with estimates ranging from 1.7 million to 2.1 million low-income families and elderly and disabled individuals currently receiving vouchers authorized by Congress; and

Whereas, In New York City, approximately 102,000 low-income families currently receive Section 8 Housing Vouchers; and

Whereas, In its May 2002 report, the bipartisan Millennial Housing Commission described the Section 8 Housing Choice Voucher program as "flexible, cost-effective and successful in its mission;" and

Whereas, The General Accounting Office found the Section 8 Housing Voucher program to be the most cost-effective housing program of all federal housing programs it analyzed in a 2002 study; and

Whereas, In his Fiscal Year 2004 budget proposal, President Bush seeks to eliminate the existing Section 8 Housing Voucher program and replace it with a block grant to States, to be called the Housing Assistance for Needy Families (HANF) program; and

Whereas, Congressional bills H.R. 1841 and S. 947 would implement this proposal; and

Whereas, Annual appropriations for block grant programs generally receive only inflationary increases, but funding for the Section 8 Housing Choice Voucher program has been adjusted annually by Congress, with appropriations based on the actual costs of providing affordable housing; and

Whereas, Under this formula, the voucher program would not be able to keep pace with the actual costs of housing, especially in the New York City housing market; and

Whereas, Funding for FY 2005 will be based on FY 2004's funding level, which will only cover the amount of vouchers in use that year, and because a certain number of vouchers are left unused every year, many vouchers may be lost; and

Whereas, The HANF block grant bills would limit the funds necessary to administer the voucher program to ten percent of a State's total funding, thereby forcing States that need more funding to either contribute their own funds or reduce services; and

Whereas, The HANF bills require States to continue to serve at least the same number of families as are served during the 120 day period ending in September 2004; and

Whereas, After the year 2009, the requirement in the pending legislation that States continue to serve at least the same number of families will end; and

Whereas, Under the Administration's proposal, allocations would not necessarily be made to local housing agencies, such as the New York City Housing Authority (NYCHA) or New York City's Department of Housing Preservation and Development (HPD), but to States which would be authorized to allocate funding to entities selected by the State Governor; and

Whereas, Under the pending legislation, a State could administer the program on a regional basis, across municipal boundary lines, and shift funding to regions within the State with greater political influence and reduce assistance in less favored regions; and

Whereas, The Section 8 Housing Choice Voucher program has a targeting requirement that currently requires housing agencies to ensure that at least 75 % of all new voucher recipients each year are "extremely low income" families with income levels below 30% of the area median income; and

Whereas, The measures now pending before the House of Representatives and the United States Senate would allow States to request waivers that would allow such targeting requirements to be lowered to 55% of each year's new voucher recipients, thereby serving more affluent households; and

Whereas, Under HANF, the standard for obtaining such a waiver by a State would be lessened; and

Whereas, Most families pay no more than 30% of their "adjusted income" for rent under the current program, the pending legislation would allow States to calculate household income based on "gross income," which includes more sources of income, thereby requiring families to pay more for rent than they currently do; and

Whereas, Under HANF, States could increase the rental burden for low-income families because they would be authorized to set the voucher "payment standard," which is the maximum amount of rent that a voucher can cover, at any level deemed "reasonable and appropriate," as opposed to the current requirement that housing agencies set the payment standard within a range based on an area's "fair market rent;" and

Whereas, Under the pending legislation, low-income families would have no choice but to contribute more than 30% of their adjusted family income towards rent, where a State lowers the payment standard to a level insufficient to rent most housing units; and

Whereas, The present Section 8 voucher program offers housing opportunities to families in neighborhoods of their choice based on factors such as job proximity, crime and schools, the pending legislation would severely limit the portability feature of the program inasmuch as each State would be authorized to establish its own standards governing essential elements of the program, including limiting the term of assistance; and

Whereas, The HANF block grants would likely undermine the "housing choice" aspect of the Section 8 Housing Choice Voucher program,

according to the Center on Budget and Policy Priorities, because the block grant bills would eliminate the current performance standards and funding rules that encourage agencies to set payment standards at an adequate level so that modest apartments in a range of neighborhoods are broadly accessible to voucher holders; and

Whereas, Thirty-Three (33) Members of the United States Senate, including Senator Charles E. Schumer and Senator Hillary Rodham Clinton, signed a letter to HUD Secretary Mel Martinez, dated April 29, 2003, expressing their concerns about HUD's proposal for Section 8 block grant funding to the States and their belief "...that such a proposal could seriously undermine the voucher program and could potentially harm the millions of low-income people assisted with housing vouchers;" and

Whereas, the New York Housing Conference, representing major developers, owners, managers and investors in affordable housing in New York, on May 5, 2003, expressed its strong opposition to the proposal to convert the Section 8 Housing Choice Voucher program into a state block grant; and

Whereas, The Mayor, in the City's 2003 Federal Legislative Agenda, has opposed the conversion of the Section 8 Housing Choice Voucher program to a State block grant format; and

Whereas, the Chairman of the New York City Housing Authority, by letter to Senator Christopher Bond and Representative James T. Walsh, Chairs of the respective VA-HUD Appropriations Subcommittees, dated April 25, 2003, noted the success of NYCHA's Section 8 operation, assisting over 85,000 families through the participation of more than 27,000 private owners, while maintaining a utilization rate exceeding 97%, expressed opposition to the block grant proposal stating that "... implementation of HANF and the consequent change in the delivery system has the potential for disrupting the current success of the Section 8 program in New York;" and

Whereas, the Council for Affordable and Rural Housing, the Institute for Responsible Housing Preservation, the Institute of Real Estate Management, the National Apartment Association, the National Association of Realtors, the National Leased Housing Association, and the National Multi Housing Council, national organizations representing apartment owners, have expressed their opposition to converting the Section 8 Housing Choice Voucher program into block grant programs; and

Whereas, other major organizations, including the Volunteers of America, National Association of Housing and Redevelopment Officials, the Council of Large Public Housing Authorities, the Public Housing Authorities Directors Association, the National Low-Income Housing Coalition, the New York State Association of Housing and Renewal Officials and the New York State Public Housing Directors Association are opposed to the enactment of legislation authorizing the conversion; now, therefore, be it

Resolved, That the Council of the City of New York opposes President Bush's FY 2004 budget proposal to eliminate the Section 8 Housing Voucher Choice program and replace it with block grants to the States and calls upon the New York State Congressional Delegation to oppose bills H.R. 1841 and S. 947, which would implement this proposal.

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