



## National Association of Housing and Redevelopment Officials

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### New HUD Voucher Proposal Slashes Funding Levels for Affordable Housing

(Feb. 20, 2004 – Washington, D.C.) - The FY 2005 federal budget relegates housing to the end of the priority list, says the National Association of Housing and Redevelopment Officials (NAHRO). It eliminates, reduces, or level-funds successful programs that today represent the best hope for low-income working families, seniors and the disabled, and could leave hundreds of thousands out in the cold.

The most dramatic and potentially damaging suggestion in the FY 2005 budget is the Flexible Voucher program, according to NAHRO President James M. Inglis. It is part of the Bush administration's plan to restructure the voucher program, which provides subsidy to help millions of families cope with increasingly high housing costs.

"This proposal, if enacted will harm those lower income families, seniors and disabled individuals who are least able to provide for themselves," said Inglis, who is also head of the Livonia Housing Authority outside Detroit. NAHRO cannot support the Flexible Voucher plan. Those who need help the most will likely be among the first to lose their homes." By one estimate, approximately 250,000 families could lose services in FY 2005.

Instead of streamlining the Housing Choice Voucher program, the proposal's funding reductions appear to fulfill a larger mandate to cut the overall financial commitment to affordable housing. The Housing Choice Voucher program, also known as Section 8, is the nation's largest rent subsidy program, serving nearly 2 million families nationwide. It is administered by local housing agencies, which receive money to run the program from the Department of Housing and Urban Development. The budget proposal for fiscal year 2005 would cut funding for the program by \$1.9 billion, with much deeper spending cuts planned for later years. The proposal would also cut administrative fees associated with the program, which will drastically limit agencies' abilities as they try to wrestle with complex regulations and rental markets.

Inglis said he knows that budget constraints are real, but pointed to the importance of responsible policies. "NAHRO has been outspoken about encouraging responsible changes in program administration that promote efficiency, reduce costs, and increase flexibility, he said. "If program cost increases are the underlying concern, then we encourage Congress and the department to work with NAHRO and other groups to find alternatives that don't hurt the communities we serve."

NAHRO Executive Director Saul Ramirez Jr. said he does not believe the proposed voucher changes have been properly reviewed. "The housing industry and Congress, along with current and potential recipients, must be part of the review process. We are also concerned that the compacted schedule of the second session of the 108<sup>th</sup> Congress could rush judgment on program changes of this magnitude," he said.

NAHRO, established in 1933, is a membership organization of 18,000 housing and community development agencies and professionals throughout the United States whose mission is to create affordable housing and safe, viable communities that enhance life for all Americans, especially those of low- and moderate-income.

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