# Washington State House of Representatives Office of Program Research

BILL ANALYSIS

## **Housing Committee**

### **HJM 4009**

**Brief Description:** Requesting that Section 8 housing assistance be maintained.

**Sponsors:** Representatives Ormsby, Dunn, Miloscia, Jarrett, Pettigrew, Flannigan, Springer, Morrell, Sells, O'Brien, Conway, Priest, Simpson, Kagi, Darneille, Lantz, Kenney, Clibborn, Cody, Schual-Berke, Chase, Hasegawa and Wood.

#### **Brief Summary of Bill**

Prays that the number of vouchers and the funding level and formulas for the Section 8
program be maintained at the same number, level, and formulas as provided for the
program in 2003.

**Hearing Date:** 2/22/05

**Staff:** CeCe Clynch (786-7168).

#### **Background:**

The Section 8 program was established in 1974 as part of the United States Housing Act. There have been changes in the program over the last 30 years, including a shift of focus from the construction of public housing toward more market-based housing subsidies. Families who are awarded Section 8 "tenant-based" vouchers use them to help pay the cost of renting housing on the open market.

The program is federally funded but vouchers are distributed at the local level by state, regional, and local housing authorities and agencies. Housing vouchers are not an entitlement benefit and only about 25 percent of income-eligible individuals and households actually receive vouchers. Two-thirds of the housing authorities in Washington have had to close their Section 8 waiting lists because of the size of the backlog. Those on the lists face a wait of 18 months to five years to receive a voucher. When housing costs increase faster than incomes, as has been the case in the last several years, housing is less affordable and the number of individuals and households eligible but not receiving Section 8 vouchers grows.

An individual or household with a tenant-based voucher chooses where to live and rents a housing unit from a private property owner. The housing authority or agency inspects the unit to make sure it meets the program's housing quality standards and also certifies that the rent is "reasonable". Both the housing authority and the individual or family sign contracts with the private landlord. The individual or household is generally required to contribute 30 percent of its

income for rent and utilities. The voucher then pays the rest of those costs up to a limit set by the local housing authority.

A small percentage of vouchers can be tied to a particular project or building rather than to an individual or household. These vouchers, called "project-based" vouchers, can help pay for the construction or rehabilitation of housing projects or buildings.

#### **Summary of Bill:**

A finding is made that affordable, safe, and sanitary housing is vital to the quality of life for all Americans and that it is a necessary component of a healthy economy. The inability to find safe, sanitary, and affordable housing is an issue across Washington. By making rental housing more affordable, which is the goal of the Section 8 program, states, communities, individuals, and private property owners are benefitted.

It is further found that Washington, as a whole, saw a decrease in the amount of funding it received for the Section 8 program in 2004 as compared to what was received in 2003. The state experienced a loss of about 1,755 vouchers, equating to \$11,662,795. The memorial further finds that based on information provided by the United States Department of Housing and Urban Development to individual authorities in January 2005, it is projected that Washington will lose funding for an additional 2,169 vouchers in 2005, amounting to \$14,802,474.

A request is made that the number of vouchers and the funding level and formulas for the Section 8 program be maintained at the 2003 levels.

**Appropriation:** None.

**Fiscal Note:** Not requested.