

## **N.O. Section 8 take could be slashed**

[New Orleans CityBusiness](#), Mar 5, 2007 by [N.O. CityBusiness Staff](#)

A proposed congressional formula change in the Section 8 program that would reduce funding for the program is angering low-income housing developers.

The formula change would reduce the annual voucher funding in New Orleans from more than \$73 million to \$3.3 million in the 2007 budget year.

Howard Gyler, a Baton Rouge-based developer who planned to rehabilitate up to 4,000 blighted apartments in the New Orleans area and rent them to low-income tenants, said the change could force him to scrap his plans.

In Jefferson Parish, under the formula change, the Section 8 allotment would drop to \$2.8 million from \$14.8 million.

Gyler said he doesn't know what impact the formula change will have on his investors.

"This could very well cost me a \$44-million pension fund. If you take \$44 million in cash and leverage it out, you're talking about \$172 million in buying power," he said.

Gyler said rising insurance costs are making it difficult for developers to break even.