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**Testimony of Julie Becker
Legal Aid Society of the District of Columbia¹**

**Committee on Consumer and Regulatory Affairs
Council of the District of Columbia**

**Public Oversight Hearing
on Operations of the District of Columbia Housing Authority**

March 4, 2005

Today's oversight hearing comes at a critical time for the D.C. Housing Authority. At present, DCHA is experiencing a funding crisis. As a result of budget cuts at the national level, DCHA – which is currently entirely federally funded – is without the funds it needs to operate the Section 8 Housing Choice Voucher Program. Recent fiscal decisions by HUD have left DCHA from \$8 million to \$9 million short of the money it needs to run the voucher program in 2005.

In response to these budget cuts, DCHA has taken a number of actions that are detrimental to D.C.'s voucher holders. These actions, along with other operational problems within the voucher program, have diminished the effectiveness of the program and the crucial service it provides to D.C.'s low-income residents.

DCHA's cost-saving measures hurt voucher holders.

To address the budget cuts, DCHA has already implemented a number of measures that undermine the very purposes of the voucher program: to serve the neediest tenants and to deconcentrate poverty and increase housing opportunities. Without supplemental funds, further harm is undoubtedly around the corner. These changes include:

- **Reducing the payment standard.** In October, DCHA reduced how much each Section 8 voucher is worth. For example, prior to the

¹ The Legal Aid Society of the District of Columbia was formed in 1932 to "provide legal aid and counsel to indigent persons in civil law matters and to encourage measures by which the law may better protect and serve their needs." Over the last 70 years, tens of thousands of the District's neediest residents have been served by Legal Aid staff and volunteers. Legal Aid currently works in the following three priority areas: housing, family law, and public benefits.



change, a family with a voucher could rent a one-bedroom apartment for \$1,150 – but now, the maximum rent for a one-bedroom is \$1,045. This change limits the units available to voucher participants and has the effect of forcing them into a few low-rent, high-poverty neighborhoods.

The change in the payment standard has already caused serious harm to voucher holders. At Legal Aid, we have had clients lose the chance to rent homes they thought they had secured with their vouchers, because the landlords were unwilling to accept the new, lower rent amount.

- Limiting rent increases for landlords. In January, DCHA passed emergency regulations placing a cap on the amount of rent increase that voucher landlords can receive from the housing authority each year. Consequently, in hot rental markets such as the current one, voucher rents may not keep up with those on the private rental market. This change will deter landlords from entering or remaining in the voucher program.

Rental caps hurt tenants as well as landlords. When DCHA limits the amount of rent a landlord can receive, the tenant has the option of paying the extra rent out-of-pocket, even if it is above the “affordable” level of 30 percent of the tenant’s income. As a result, the extra rent burden gets passed on to tenants, who can least afford it.

- Imposing a minimum rent. DCHA’s next cost-saving measure is a plan to impose a “minimum rent” of \$50 on voucher holders, regardless of their income. This change would impose an enormous extra burden on those tenants who have the lowest incomes. It also would penalize tenants who may be paying little in rent, but have very high out-of-pocket utility costs.

DCHA has undertaken its cost-saving measures without sufficient consideration of the options.

While we understand that DCHA is under pressure to trim its budget, its method of addressing the federal funding cuts has, in many respects, ignored the input of those most affected by the policy changes. For example, DCHA’s decision to reduce the payment standard in October 2004 was undertaken with no prior notice whatsoever, either to individual voucher holders or to the community at large. Once the change went into effect, DCHA failed to inform either tenants or landlords. Instead, it simply left them to discover when they came to sign lease paperwork that the voucher was worth less than DCHA had originally promised to pay.

Similarly, although DCHA has accepted comments on its minimum rent proposal, it has failed to undertake the most basic suggestion that advocates have put forth: it has neglected to make an accurate calculation of how much money the agency would save as a result of the proposal. It has also failed to calculate the administrative costs of imposing the change, and has failed to compare the minimum rent plan against the potential savings that would result from other, less harmful proposals.

Finally, DCHA has failed to communicate with its residents regarding the causes and effects of the federal budget cuts. In other jurisdictions across the country, many of which are facing similar cuts, housing authorities have held town-hall meetings, publicized the issue, and solicited input from their residents regarding the available cost-cutting choices. We have encouraged DCHA on a number of occasions to communicate and consult with its residents in this way. DCHA has declined to do so – to the detriment of its consumers, who are thus deprived of any input on the major changes taking place to their subsidies.

DCHA is unresponsive to the concerns of its voucher holders.

The lack of communication between DCHA and its consumers regarding the budget cuts is indicative of a larger communication problem within the voucher program. In general, DCHA officials are extremely unresponsive to concerns raised by voucher participants or their advocates.

First, and on the most basic level, employees of the voucher program do not respond to voicemail, letters, or email. Both Legal Aid employees and our clients have had countless experiences in which we attempt to call individuals, but find their voicemail full; we leave messages that are not returned; we fax letters that are ignored; we send emails that receive no response. These basic customer service failures make it extremely difficult for tenants, landlords, or advocates to resolve issues on any informal level.

Second, the administrative grievance process within the voucher program is a broken system. DCHA's federally mandated administrative hearing process is designed to allow voucher holders an opportunity to challenge the agency's decisions on issues such as rent miscalculation, denial of admission, and termination from the program. The system is admirable in theory – but in practice, it fails on virtually all levels. DCHA does not schedule hearings in a timely manner; it delays for months in issuing decisions; and it utterly fails to implement favorable hearing decisions, leaving participants without the relief to which they are lawfully entitled. For example, an applicant challenging the denial of admission to the program may wait two months for a hearing, three more months for a decision, and, should she prevail in the hearing and be granted a voucher, she may wait indefinitely to receive that relief. In the meantime, the applicant is homeless, despite successfully winning admission to the voucher program. DCHA's failure to administer an effective hearing process – which causes real harm to its voucher participants and applicants – is inexcusable.

While DCHA has several areas in which it could improve, it nonetheless provides a critical function in the District. Federal funding cuts have placed that function at risk. The city should step in to supplement DCHA's funding, enabling the Housing Authority to avoid detrimental changes to the program and to improve its services to the District's voucher residents.