

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

**Committee on Housing and Urban Affairs
Council of the District of Columbia**

Bill 17-0441, "Section 8 Preservation Act of 2007"

April 14, 2008

I am here on behalf of The Legal Aid Society of the District of Columbia¹ to testify in support of the Section 8 Preservation Act of 2007. This bill, if passed, would provide the District with a powerful tool for preserving one of its largest sources of affordable housing: its project-based, federally subsidized properties.

The District is at risk of losing one of its most valuable types of affordable housing.

Currently, D.C. has nearly 10,000 units of federally subsidized project-based housing. Unlike tenant-based Section 8 vouchers, which attach to an individual tenant and can be carried from unit to unit, these subsidies are the result of a contract between the landlord and HUD, and provide affordability for an entire multifamily building. Additionally, unlike some other site-based programs, these subsidies – commonly called “project-based Section 8” – are targeted at the very lowest-income D.C. residents. They are some of the best, and only, sources of affordable housing for tenants who earn less than 30 percent of the Area Median Income, including residents with disabilities, the elderly, and those with low-wage employment.

Unfortunately, this valuable housing resource is at risk of disappearing. 2,729 of the federally subsidized Section 8 contracts in the District are set to expire in 2008.² While landlords have the option of renewing the contract with HUD, many will choose not to do so. When that happens, an entire building of affordable housing is lost to the District. Since 2000, the District has lost nearly federally subsidized 2,000 units in this way.

There is no fully adequate substitute for a lost project-based subsidy.

Although tenants sometimes receive tenant-based vouchers when a the site-based contract terminates, federal law does not provide for vouchers in all circumstances; in some programs, termination of the subsidy leaves tenants with no protection at all.

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 76 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 areas of housing, family law, and public benefits.

² Neighborhood Info DC, District of Columbia Housing Monitor (Winter 2008), available at http://www.urban.org/UploadedPDF/1001153_dc_housing_monitor.pdf.

Furthermore, those vouchers do not fully substitute for the lost site-based assistance. Although the vouchers are designed to permit tenants to remain in place, often their units are too small, too large, or in too poor a condition to meet D.C. Housing Authority standards. When that happens, tenants must seek new housing, in the face of a tight housing market with a circumscribed pool of units affordable for rental with Section 8 vouchers.

Finally, vouchers are a less stable affordable housing resource. In recent years, HUD has consistently diminished the amount of money it provides to housing authorities for these types of vouchers, leaving long-term funding of the vouchers in question.

Saving the site-based subsidy is the most practical, and most financially sound, way of preserving these affordable housing units.

When a landlord stops receiving HUD funding, tens of thousands of federal dollars – money that otherwise would flow into the District to support low-income housing for its citizens – are lost. The bill before the Council would give tenants and the District an opportunity to preserve those federal dollars, and thereby to keep the affordable housing that money supports. Under this legislation, an owner who wishes to terminate its federal subsidy would first be obligated to give tenants and the District an opportunity to purchase the property. If they exercised the right to purchase, the new owners – whether tenants, the city, or a nonprofit – would be required to retain the federal subsidy, thus keeping the federal dollars flowing to house low-income tenants.

In this way, the proposed legislation gives tenants and the District a crucial tool to stop the loss of these affordable housing units. Currently, when the owner wishes to stop participating in the HUD program, there is virtually nothing that tenants or the District can do about it; they must simply stand by while those federal dollars disappear. This bill, however, would permit the tenants to intervene by purchasing the building at a fair price. This would ensure that the owner receives the value of the property, but also retains the affordable housing at little or no cost to the city.

In short, the proposed bill is a preservation tool that, unlike many other housing programs, supports the lowest-income residents with funds not from the District, but from the federal government. The Council would be wise to pass this bill.