

Testimony of Philip Tegeler
Executive Director of the
Poverty & Race Research Action Council
presented to the
Housing and Community Opportunity Subcommittee
Financial Services Committee
United States House of Representatives
March 9, 2007

Thank you for the opportunity to testify today about the proposed Section 8 Voucher Reform Act. I am Philip Tegeler, Executive Director of the Poverty & Race Research Action Council (PRRAC), a civil rights policy organization based in Washington, D.C. Our primary mission is to help connect advocates with social scientists working on race and poverty issues, and to promote a research-based advocacy strategy on structural inequality issues. At the present time, PRRAC is pursuing work in the areas of housing, education, and health, focusing on the importance of “place” and the continuing consequences of historical patterns of housing segregation and development for low income families in the areas of health, education, employment, and incarceration.

For the past several years, we have been working with civil rights and fair housing advocates from across the country to call for reinstatement of the rights to housing choice and housing mobility that have long been a hallmark of the Section 8 program, but which have been undermined by changes in HUD policy and the Section 8 funding formula. Recently, along with the Lawyers Committee on Civil Rights, we prepared a consensus statement on Section 8 mobility that has been endorsed by several national civil rights organizations (including the Leadership Conference for Civil Rights), along with over 50 state and local fair housing organizations. A copy of that statement is attached and included as part of our testimony today.

We recognize the substantial improvements represented by the draft bill, especially the changes in the voucher funding formula, and the provision for reimbursing agencies for excess portability costs from reallocated voucher funds. However, we urge the Committee to go further to restore a central promise of the program, to provide meaningful housing choice for families outside of high poverty communities. To do this, a strong system of exception payment standards needs to be reinstated in the program; mobility counseling should be provided in highly segregated metropolitan regions; deconcentration of poverty should be included as a key performance measure; incentives should be considered for housing agencies that share resources and consolidate functions; and the well-known burdens of the “portability” billing system should be replaced by a simple system of mandatory absorption of vouchers, which would eliminate the bureaucratic barriers to families seeking to move across jurisdictional lines. Finally, the Committee should consider the design of the next national housing mobility program to follow the Moving to Opportunity demonstration. We recommend a phased-in, multi-metropolitan area expansion of the successful Gautreaux housing demonstration in Chicago.

Each of these points is set out in greater detail in the attached statement. Thank you again for your consideration of our comments.

The Section 8 program and access to opportunity: An agenda for policy reform

*Submitted to the House Financial Services Committee, Subcommittee on Housing and Community Opportunity: Subcommittee Hearing on The Section 8 Voucher Reform Act
Friday, March 9, 2007*

Racially segregated, high poverty neighborhoods are a continuing reality in many American cities. Families living in these neighborhoods often do not have access to quality jobs, high performing schools, and other important life opportunities. Federal and state housing programs have helped to create this situation, but they can also be part of the solution to change it.

The nation's largest federal housing program, the Section 8 "Housing Choice Voucher Program" has the potential to help poor families voluntarily move to lower-poverty and less-segregated areas. Unfortunately, this benefit of the voucher program is not automatic, and is highly dependent on program features that include how higher-rent areas are treated, how public housing agencies (PHAs) receive their funding, how PHAs interact with families and with each other when a voucher crosses jurisdictional lines ("portability"), and the extent to which families receive housing search assistance. Each of these program features is subject to competing political, administrative and policy demands, so housing mobility becomes simply one goal among many.

Although HUD and Congress took some promising steps during the 1990s with a series of housing mobility policies designed to help families move to lower-poverty neighborhoods, these policy interventions only lasted a few years, and in recent years we have experienced a policy retrenchment, which has restricted families' geographic choices in the voucher program, and is likely now leading to greater geographic concentration among poor Black and Latino participants in the program.¹

Congress has an opportunity to undo this systematic dismantling of the Section 8 program, and to reinvigorate two of the program's original goals of housing choice

1. The current Administration's cutbacks on housing mobility in the voucher program began in 2002, with the elimination of federal funding for regional housing mobility programs, and the consequent shutdown of dozens of such programs around the country. Then, in 2003, HUD began affirmatively restricting housing choice by cutting back on the use of Section 8 "exception payment standards," which permit families to move to lower-poverty areas that have higher rents. In 2004, the Administration's original Flexible Voucher proposal (successfully resisted by Congress) would also have discouraged housing mobility by changing each agency's Section 8 allocation to a single block-grant system, rather than paying each agency for all the authorized vouchers that they are able to use. But in the same way, a change in the way HUD allocates budget funds (to cover each agency's prior year expenditures) along with HUD's decision in June of 2004 to retroactively cut voucher funding in PIH Notice 2004-7 both increased incentives for PHAs to adopt policies that discourage or prohibit families from moving to higher-rent areas. These policies also led to across the board reductions in payment standards that limit choice of available neighborhoods. HUD again restricted mobility in a guidance issued in July of 2004 that seemed to allow PHAs to restrict voucher holders' portability rights, where PHAs make a showing of financial hardship (HUD retracted this ambiguous and unlawful guidance in 2006, but only after much damage had been done).

and deconcentration of poverty. To accomplish this, the Congress could take the following steps:

- ▶ Elimination of financial penalties imposed on Public Housing Agencies (PHAs) when families move from one jurisdiction to another. Currently, a “sending” PHA has to pay a premium to a neighboring PHA for higher rents in the receiving town, with no possibility of reimbursement from HUD. A proposal in the pending 2007 Appropriations Bill would eliminate this penalty by allowing PHAs to seek reimbursement of excess “portability” costs from HUD. It is important to incorporate this intended policy change in the 2007 funding resolution.
- ▶ Reauthorization of the system in effect prior to 2000, that permitted somewhat higher Section 8 rents in more expensive, lower-poverty areas. This system of “Exception Payment Standards” is still part of the Section 8 regulations, but, as noted above, its use was suspended unlawfully by HUD in 2003.
- ▶ Statutory changes to eliminate the complex administrative system of “portability” and replace it with a simpler system that allows families to move from jurisdiction to jurisdiction without bureaucratic complications. One leading proposal is to require receiving PHAs to simply “absorb” incoming families into their program, so long as spaces remain for families on the PHA waitlist.
- ▶ Reauthorization of an improved version of the Regional Opportunity Counseling Program, a multi-city program that helped families move to lower- poverty neighborhoods (defunded in the first two years of the Bush Administration).
- ▶ Experimentation with new approaches to cooperation among PHAs operating similar voucher programs in the same metropolitan areas – including financial incentives for PHAs that take steps such as sharing waitlists, adopting common application forms, etc.
- ▶ Passage of a new national housing mobility program modeled on the successful Gautreaux Assisted Housing Mobility Program in Chicago. An estimated 50,000 new vouchers per year, dedicated to deconcentrating poverty in 10-15 of America’s most severely segregated urban neighborhoods, could have a substantial impact in ameliorating the impacts of concentrated poverty over a ten-year period.

The recent report of the Third National Conference on Housing Mobility: *Keeping the Promise: Preserving and Enhancing Housing Mobility in the Section 8 Housing Choice Voucher Program*² includes a review of the best practices and most promising administrative approaches to promoting housing mobility in the Section 8 voucher program. The main lesson of this report is that housing mobility is feasible, we know how to make it work, and, given the assistance, many families in high-poverty neighborhoods

2. Report available at www.prrac.org/pdf/KeepingPromise.pdf.

will make a choice to move to safer and higher-opportunity areas. **It is time to restore the promise of choice to the Housing Choice Voucher Program.**

Supported by:

Lawyers Committee for Civil Rights Under Law
Poverty & Race Research Action Council
National Fair Housing Alliance
National Low Income Housing Coalition
Leadership Conference for Civil Rights

State and Local Organizations in support of statement:

Massachusetts Law Reform Institute (MA)
Metropolitan Boston Housing Partnership (MA)
HomeStart (MA)
City of Boston Fair Housing Commission (MA)
Cambridge Eviction Free Zone (MA)
Western Massachusetts Legal Services (MA)
Massachusetts Nonprofit Housing Association (MA)
Lawyers Committee for Civil Rights Under Law
of the Boston Bar Association (MA)
Fair Housing Center of Greater Boston (MA)

Housing Action Illinois (IL)
Chicago Area Fair Housing Alliance (IL)
Business and Professional People for the Public Interest (IL)
Lawyers Committee for Better Housing (IL)
Sargent Shriver National Center on Poverty Law (IL)
Housing Choice Partners (IL)

Southern California Housing Rights Center (CA)
Fair Housing Council of San Diego (CA)
Housing Integration Set-Aside Task Force (CA)
Project Sentinel (CA)
Fair Housing of Marin (CA)

Fair Housing Justice Center of HELP USA (NY)
Long Island Housing Services (NY)
Anti-Discrimination Center of Metro New York (NY)
Housing Opportunities Made Equal (Buffalo) (NY)
Fair Housing Council of Central New York (Syracuse) (NY)

Fair Housing Advocates Association (OH)
Toledo Fair Housing Center (OH)

Housing Opportunities Made Equal, Cincinnati (OH)
Miami Valley Fair Housing Center (Dayton) (OH)

North Carolina Housing Coalition (NC)
North Carolina Justice Center (NC)
North Carolina Fair Housing Center (NC)

Housing Education Resource Center (CT)
Connecticut Fair Housing Center (CT)

Center for Fair Housing (AL)
Fair Housing Center of Northern Alabama (AL)

Indiana Coalition on Housing and Homeless Issues (IN)
Indianapolis Resource Center for Independent Living (IN)

Greater New Orleans Fair Housing Center (LA)

Fair Share Housing Center (NJ)

Metro Fair Housing Services (GA)

Housing Counseling Services (DC)

Legal Advocacy Center of Central Florida (FL)

Innovative Housing Institute (MD)

Fair Housing Partnership of Greater Pittsburgh (PA)

Housing Opportunities Made Equal of Virginia, Inc. (VA)

Fair Housing of the Dakotas (ND/SD)

Iowa Coalition for Housing & the Homeless (IA)

Intermountain Fair Housing Council (ID)

Mid-Minnesota Legal Assistance (MN)

Metropolitan Milwaukee Fair Housing Council (WI)

Arizona Fair Housing Center (AZ)

Inclusive Communities Project (TX)