

June 3, 2009

The Honorable Barney Frank, Chair
House Financial Services Committee
U.S. House of Representatives
Washington D.C.

The Honorable Maxine Waters, Chair
House Financial Services Subcommittee
on Housing and Community Opportunity
U.S. House of Representatives
Washington D.C.

Re: Fair housing, access to opportunity, and the Section 8 Voucher Reform Act

Dear Chairwoman Waters and Chairman Frank:

The undersigned civil rights and housing organizations write to commend the Committee and its leadership for your perseverance in crafting a Section 8 Voucher Reform Act that will restore housing choice to the Section 8 voucher program. The bill will give many low income families and children a real choice to either remain in high quality city neighborhoods or move to lower poverty communities with strong schools and expanded employment opportunities.

The recent final report of the National Commission on Fair Housing and Equal Opportunity, a bipartisan commission chaired by former HUD Secretaries Jack Kemp and Henry Cisneros, emphasized the importance of a restored Section 8 program that includes real incentives for regional housing mobility:

The federal government's three largest federal housing programs (Section 8, public housing, and the Low Income Housing Tax Credit) serve more than 4.5 million families and yet do very little to further fair housing and, in some cases, work to create and/or maintain segregated housing patterns. These programs must be reoriented to focus, in part, on helping families move to less racially and economically segregated communities.

For example, the Section 8 Housing Choice Voucher Program, which creates a portable housing benefit that can be used by an eligible family to rent private apartments in multiple locations, could be reformed to increase access of eligible families to high opportunity communities, by including higher rents where necessary, improving administrative portability of vouchers across jurisdictional lines, re-establishing housing mobility programs to assist voucher holders seeking to move to higher opportunity areas, creating strong incentives and performance goals for administering agencies, and providing incentives to recruit new landlords into the program. We should mandate that families be provided

information and counseling about their range of housing choices, including choices in more integrated areas.¹

The Section 8 program is a crucial gateway for very low-income families to access high quality schools, healthy neighborhoods, and areas with rich employment opportunities. At the same time, the program helps to create more diverse and economically viable metropolitan areas. As your Committee is aware, in spite of demonstrable progress during the 1990s, after 2000 this kind of housing mobility was significantly restricted in the Section 8 program.² The draft bill currently before the Committee would restore choice and opportunity to very low income families in several important ways:

- ¶ The use of smaller geographic areas to determine Fair Market Rents (FMRs) will give families a wider selection of rental units in higher opportunity communities outside the central city;
- ¶ The provision allowing higher “payment standards” where a high rate of voucher concentration persists will give additional flexibility in highly segregated areas;
- ¶ The revised annual funding formula in the bill does not penalize Public Housing Agencies (PHAs) in their renewal funding for helping families to move to areas with higher rents;
- ¶ A stronger “deconcentration” requirement in the Section 8 Management Assessment Plan (SEMAP) will encourage PHAs to develop systems to help families move to lower poverty neighborhoods – and HUD is empowered to add additional incentives with performance-based administrative fees;
- ¶ The bill calls on HUD to repair the arcane “portability” system to make it much easier for families to move across jurisdictional lines in search of better housing options.

A properly administered voucher program can be a powerful tool for providing residential opportunity to low-income families and overcoming residential racial segregation. Although the crucial provisions just listed will go a long way toward

¹ *The Future of Fair Housing: Report of the National Commission on Fair Housing and Equal Opportunity* (December 2008); available at www.civilrights.org/publications/reports/fairhousing/.

² The cutbacks on housing choice and mobility 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 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, HUD’s decision to retroactively cut voucher funding in PIH Notice 2004-7 increased incentives for PHAs to adopt policies that discouraged or prohibited families from moving to higher rent areas. These policies also led to across the board reductions in payment standards that limited 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 made a showing of financial hardship (HUD retracted this ambiguous and unlawful guidance in 2006, but only after much damage had been done). Since 2006, Congress has intervened to ameliorate the situation, but the program as a whole is in urgent need of reform to re-focus on fair housing and opportunity.

restoring housing choice, the Committee should go further to ensure that the voucher program can reach its full potential to help achieve integration:

¶ It is crucial that these housing choice elements of the bill are directly enforceable by participating families – because without clearly defined, personally enforceable rights, PHAs that do not support housing choice and mobility have long ignored their obligations. HUD simply does not have the resources to ensure compliance among 2400 local agencies – families and their legal representatives need to be empowered to make these rights a reality;

¶ We believe it is important for Congress to direct HUD to establish an administrative fee bonus specifically for achieving deconcentration results. The current language of the bill simply permits HUD the discretion to develop performance bonuses “consistent with” the various performance standards;

¶ PHAs should be required, rather than permitted, to institute higher payment standards when certain thresholds of voucher concentration are met;

¶ Finally, we ask that the Committee specifically recognize the role of racial segregation in the program, and include this factor in the SEMAP reporting and rating system – as the experience with the “Moving to Opportunity” program demonstrates, helping families move to slightly lower poverty neighborhoods does not necessarily lead to access to more racially integrated communities or schools.

Looking beyond the four corners of the draft bill, we would also urge the Committee to add authorization for a new nationwide housing mobility program to assist families to find housing outside of segregated, high poverty areas. We have learned from the Gautreaux and Moving to Opportunity housing mobility programs that housing mobility counseling works, that families are eager to take advantage of this opportunity when it is presented, and that families and children significantly benefit when they are able to move to higher opportunity areas with good schools. By assisting families with opportunity moves, we can also save money for HUD and PHAs in the long run, by increasing initial lease-up rates, and by reducing the frequency of second and third moves by families who are dissatisfied with their initial housing.

Thank you for the opportunity to present these comments. The Section 8 Voucher Reform Act is an important step forward for fair housing and we support the Committee’s efforts to restore true choice and opportunity to the program.

Sincerely,

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