

October 9, 2007

The Honorable US Senator Christopher J Dodd
Chairman, US Senate Committee on Banking, Housing, and Urban Affairs
534 Dirksen Senate Office Building
Washington, DC 20510

Dear Senator Dodd;

The New England Housing Network was created twelve years ago by leading housing advocates and providers from all six New England states to preserve and develop affordable housing, and to speak in a unified way to our elected officials about federal housing and community development policy. Our Network represents thousands of people concerned about housing issues in New England, including most of our region's statewide housing and community development coalitions, for- and non-profits, housing developers, tenants, homeless advocates, attorneys, managers, government officials, community development specialists, and real estate financial advisors.

The Section 8 program is critical to our region. Approximately 138,000 New England households currently receive Section 8 assistance, and the vast majority of these include senior citizens, people with disabilities, and working families with children. We are deeply concerned about future administrative and funding policies for the program, and look forward to the enactment of the Section Eight Voucher Reform Act (SEVRA) legislation.

Below are comments pertaining to the Senate draft bill. Many of these suggestions were developed in conjunction with the Connecticut Housing Coalition, a key member of the New England Housing Network, and are reflected in their comments to you as well.

Comments from the Connecticut Housing Coalition's Working Group on Section 8 Advocacy Working Group, endorsed by the New England Housing Network:

Overleasing (Section 6)

Although there are some differences between the Senate Discussion Draft and HR 1851, both authorize renewal funding for vouchers up to 103% of an agency's authorized level if a PHA has used reserves to pay for such excess vouchers. We support renewal funding for such vouchers and urge that this provision be retained in the Senate bill. The provision is necessary to allow PHAs to adjust to changing demand without fear that they will be penalized for making full use of their voucher authorizations. This avoids a "boom and bust" funding cycle which pressures PHAs to underlease their supply of vouchers.

State Public Housing Vouchers (Section 6)

We support the language in the Discussion Draft that allows the award of additional vouchers to preserve the affordability of non-federal public housing. This is particularly important in Connecticut, Massachusetts, New York, and Hawaii, which have state public housing.

Portability (Section 6)

HR 1851 requires PHAs to accept and absorb a port-in, with a guarantee of additional funding if needed, while protecting the port-out PHA from voucher loss by allowing it to issue a new voucher to another family. This mandatory absorption is necessary to assure voucher families of mobility, which is a core mission of the Section 8 program and overcomes current patterns in which voucher families are being denied the ability to move to a new town. This issue is especially important in a state like Connecticut, because most of our PHAs serve very small geographic areas, increasing the need for portability. The Senate Discussion Draft is too restrictive, because it does not assure absorption above the port-in PHAs authorized voucher level and relies too heavily on the use of HUD discretion. It is our understanding from the CBPP that less than 50% of ports this year would have been absorbed under the Senate formula. We urge you to substitute the House version on mandatory absorption.

Rent Burden (Section 12)

We applaud the inclusion in the Senate Discussion Draft of provisions requiring PHAs to take specified actions if a substantial number of voucher holders are paying more than 30% of their incomes towards housing costs. While understanding the wisdom of directing PHAs with above average rent burdens to take specific measures before being permitted to increase the payment standard to 120% of FMR, we prefer the provision in HR 1851. If the Senate version is included in the filed bill, we believe that providing search assistance prior to being permitted to increase the payment standard to 120% of FMR is not a reasonable expectation, especially at a time when PHA administrative funding levels are decreasing and PHA staff workloads are increasing.

Incremental Voucher Preferences (Section 21)

We support the preferences contained in the Senate Discussion Draft for the award of incremental vouchers, and especially the preference that includes the preservation of non-federal public housing. This has particular impact for the preservation of Connecticut's state public housing system. We very much appreciate the inclusion of this provision in the Senate Discussion Draft.

Low Income Housing Tax Credit Properties

- a) **Rent reasonableness** (Section 12): We support new provisions in the Senate Discussion Draft that modify the voucher rent reasonableness requirement to 1) prohibit rents that

are above both the rent charged for similar LIHTC units in the property and the voucher payment standard, and 2) to deem rents to be reasonable that are below the rent charged for other similar LIHTC units in the property without a separate determination.

- b) **Data collection** (Section 19): We support language in the Senate Discussion Draft that requires state tax credit agencies to collect data on race, ethnicity, income and other important characteristics of voucher tenants in LIHTC properties and submit the data to HUD annually. LIHTC properties comprise a growing segment of the affordable housing market and therefore need to be evaluated as to their contribution to the sheltering of Section 8 families.

Rent Calculations (Section 3)

- a) **Rent Simplification:** We support rent simplification and, in particular, we support the increase in the standard deduction for elderly and disabled households. However, we are concerned that there may be disabled individuals who suffer an unfair and unnecessary rent increase because the threshold above which they will be able to deduct medical expenses is increased from 3% to 10% in the Senate Discussion Draft. We urge that the Senate Discussion Draft be amended to give private owners of buildings with project-based Section 8 contracts the same discretion that PHAs have under the Permissive Deductions Provision to waive the increase in cases where an individual with a disability would be unduly harmed by the increase.
- b) **Trigger for downward rent adjustments:** Both the Senate Discussion Draft and HR 1851 require a reduction in income of \$1,500 per year before the tenant can request a downward rent reduction. Very low-income tenants cannot absorb a loss of over \$100 per month in income and still pay their rent, and a threshold this high will result in hardship, default, and eviction for them. We urge that the Senate Discussion Draft be changed to establish a \$500 threshold for downward rent adjustments. The \$1,500 threshold should be retained for upward adjustments.

Performance Assessments (Section 10)

We support the Senate Discussion Draft language requiring HUD to make its agency assessments available to the public. This is an important action that will improve transparency for the Section 8 program overall.

Limited English Proficiency

HR 1851 contains an important provision regarding access to HUD programs for persons with limited English proficiency. We believe that this provision is important and should be included in the Senate Discussion Draft to assure HUD's commitment to the principles of equality and respect for all residents regardless of first language.

Discrimination Against Voucher Holders (Section 18)

We support the intent of Section 18 of the Senate Discussion Draft to give more specificity to the prohibition against discrimination against voucher holders in the HOME and LIHTC programs. We are concerned, however, that the new language could be interpreted to override the more protective anti-discrimination language in states like Connecticut and Massachusetts that prohibit discrimination based on source of income. We therefore think it is very important that language be added to make very clear that Section 18 does not preempt stronger voucher anti-discrimination protections in state and local laws. We are working with Barbara Sard of the CBPP on precise language to prevent preemption and protect more protective state statutes.

PHA Authority to Make Utility Payments

When owners fails to meet their responsibility for utility payments, Section 20 of the Senate Discussion Draft allows PHAs to use voucher funds to make the payments. This is a no-cost way for PHAs to mitigate one of the increasingly common side-effects of burgeoning mortgage foreclosures and avoid displacement of voucher families and we strongly support the inclusion of this section in the bill. We support its inclusion in the Senate Discussion Draft.

Thank you for your diligent efforts on behalf of the Section 8 Housing Program. We look forward to working closely with you as SEVRA proceeds through the Senate, and moves towards enactment.

Sincerely,

Aaron Gornstein, Executive Director, CHAPA,
For The New England Housing Network

New England Housing Network Lead Agencies:
Connecticut: Connecticut Housing Coalition
Maine: Maine Affordable Rental Housing Coalition
Massachusetts: Citizens' Housing and Planning Association (CHAPA)
New Hampshire: New Hampshire Affordable Housing Forum
Rhode Island: Statewide Housing Action Coalition (SHAC)
Vermont: Vermont Affordable Housing Coalition