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WASHINGTON-MORGAN COUNTIES COMMUNITY  
ACTION

TESTIMONY BEFORE THE  
COMMITTEE ON FINANCIAL SERVICES  
SUBCOMMITTEE ON HOUSING AND COMMUNITY  
OPPORTUNITY

TUESDAY, MAY 17, 2005

Good afternoon. My name is David Brightbill. I am the Executive Director of Washington-Morgan Counties Community Action. The Agency is a private nonprofit corporation located in Southeastern Ohio along the Ohio River. The agency has been in business since 1967 and operates a variety of programs designed to help low and moderate income families. These programs include Head Start, employment and training (we are the One Stop center for Washington County), transportation, senior programs, housing, and health services.

In 1988, the City of Marietta received funding for fifty (50) vouchers and subcontracted with our agency to provide the management for this new program. We leased the vouchers up rapidly and, for the next several years, HUD gave us additional vouchers and certificates until we reached our current level of 356. We have been unable to secure more vouchers although there is a waiting list of several hundred people and we have applied for more almost every year (we did receive forty (40) additional temporary vouchers this year following a flood that destroyed dozens of mobile homes, which were housing for very low income families). Because of the current funding situation, we only have funds to actually issue 337 of our authorized vouchers, even with our long waiting list.

Marietta is the county seat of Washington County and is located in Appalachian Ohio. We face many of the same problems that other Appalachian counties face, loss of manufacturing jobs, lower wage jobs, older housing stock, transportation needs, access to affordable health care, etc.

The Housing Choice Voucher program has had a significant and important impact on our community throughout the years. It has provided tenants with the resources to afford decent, safe and sanitary housing and landlords the incentive to provide quality housing. Because the Housing Assistance Payment (HAP) guarantees landlords a portion of the rent, they have been more willing to rent to lower income families and to maintain their property in accordance with the housing quality standards. In a community with few standards that apply to rental property, this has had a positive impact on rental housing quality. The fact that we have 168 active landlords, and over 300 that have participated in the program, indicates the level of local acceptance of the program. Many landlords asked to be added to a list that we maintain which is made available to clients when they receive their housing voucher. The units are spread throughout the City of Marietta and Washington County assuring that there is no significant concentration of HUD assisted properties in any one location.

The voucher program has had a positive impact on our clients as well. Currently, approximately 57% of our clients are disabled/handicapped or elderly and disabled/handicapped. These are individuals and families who, without this program, would be spending an ever-increasing percentage of their disposable income on housing costs. It would be likely that they would have to choose between housing, food, or medicine. Of the individuals and families not in the above category, a significant percent are working and only fifteen families receive TANF funding or another form of general assistance. The average income of the employed families on the program is not sufficient to allow them to pay for the full cost of housing without again facing choices that families should not have to make.

While we have no minimum rent requirement, 87 percent of the families receiving vouchers pay some part of their total housing costs. Our average one bedroom rent is \$341 with the average tenant payment being \$135, the average three bedroom rent is \$502 with the tenant payment averaging \$103. This demonstrates that even larger families are making a significant (average of 20%) contribution to the cost of their housing.

An additional feature of our Housing Choice Voucher program is the Family Self Sufficiency (FSS) component, which we have incorporated into the program. The voucher allows the family to afford a safe and sanitary home providing a stable platform as they work to move off of their various sources of public support. Current FSS funding allows us to employ a coordinator. She works with thirty-one (31) families developing self sufficiency plans of up to five years and provides follow up assistance to secure the services necessary to reach those goals. The goals range from getting the person started earning their high school equivalency degree, to getting job training, seeking counseling, and, in some cases, the purchase of their first home.

During the past two years, 45 families have been involved with the FSS program, fourteen (14) families have left the program with thirteen (13) of them successfully completing their five-year plan. Of the thirteen that graduated, so to speak, three of them have used their escrow accounts to purchase homes. While the numbers are not high, the total participants represent about 10% of our voucher holders and 23% of those individuals who are not elderly, disabled or handicapped. Ninety two percent of the families participating in the FSS component successfully completed their plan. This resulted in significant monetary savings as those families are no longer receiving various types of government assistance.

Part of the reason for this success is the nature of our agency. Many services are offered under the same roof, i.e., the One Stop Employment Center is just two offices down from the FSS coordinator's office, outreach workers are across the hall, as is our Home Energy Assistance program and Head Start recruiters are located in the same building. Each month, our front line staff, including the FSS coordinator, meet to discuss any changes in the programs we operate. Outside resource persons are brought in and their services discussed. The goal is to make sure that there is a comprehensive approach taken to helping the family get off assistance.

Since we have been able to use vouchers toward the purchase of a first time home, three of our families have taken advantage of this and have successfully purchased a home and are currently making the required mortgage payments along with our HAP. The self sufficiency component provides an important resource for helping to move families off other types of assistance and eventually off the voucher program. Unfortunately in this year's NOFA one of the threshold requirements to be a Tier I organization for FSS funding requires that five FSS families have purchased homes since 2001. The five participant requirement is the same for an agency our size as it is for Cleveland or Columbus. Consequently we are concerned about our prospects for future funding. It does not seem right that a rural community with a relatively small number of vouchers would have to meet the same threshold requirement as a housing authority many times its size.

In reviewing the State and Local Housing Flexibility Act of 2005, the proposed changes we have a particular interest in are:

- **The income targeting guidelines.** Today, 75% of vouchers must go to families with incomes below 30% of area median income. H.R. 1999 would require that at least 90% of vouchers go to families with incomes up to 60% of area median income. This would have the effect of allowing housing authorities to reduce the HAP, consequently reducing the federal funds necessary to support the same number of vouchers. This change seems to me to be getting away from the purpose of the program, which is to provide safe, affordable housing for those families with the most significant housing cost burdens. Until there are more resources available, I feel we should continue, by national policy, to direct the limited funds available to individuals and families with the greatest need.
- **Allowing public housing authorities to impose time limits on voucher assistance in 2008 (not including the elderly or disabled).** This would, if used by the housing authorities, set limits for the first time on how long families could participate in the program. The change would obviously have the effect of increasing the number of total families served, but often at the expense of families that are working but unable to earn sufficient income to pay the full cost of their housing. What is gained if we move one family onto the program and at the same time remove a family even though they do not have the income to maintain needed housing? Investing in adequate job training and support services, including expansion of the FSS program, would be a better way to get additional turn over. As it is, at least in our case, we generally issue at least some vouchers to new participants each month, which means turn over is occurring. The goal ought to be having the family earning enough money to take care of their needs not just getting them off the rolls.
- **Allowing housing authorities to change how rents are calculated, so that rents may no longer be a percentage of resident income.** This again would allow housing authorities to reduce their HAPS and decrease the costs of serving the same number of families. Given the current turmoil in funding and the need to somehow make dollars stretch it will be very tempting to impose tenant payments that shift the burden to the client. Organizations, such as ours, will be faced with the difficult decision of setting higher tenant rents to help balance the budget when we know that, for the families we serve, even minimal increases are hard on them let alone the kinds of increases that could be made under the proposed new law.
- **Vouchers would only be portable between agencies if both agencies had a standing agreement and, then, only within the same state or region with some limited exceptions.** The current system has not been a problem for us. Once in awhile, we are faced with rents much higher than normal and we have been able to deal with those within existing law. The primary purpose of the proposed policy change, it seems to me, is another way of removing families from the program and, therefore is contrary to the best interests of the families we serve. I would suggest that HUD create some type of central pool of funds which would provide local housing authorities with the ability, when the port rent is significantly higher than the local rent, to apply for funds to make up the difference.
- **After January 1, 2009, voucher policy changes could also apply to new elderly and**

**disabled families, at the discretion of the local housing authority.** If the local housing authority does not make the decision to exempt elderly and disabled families from these changes, then they are applicable to the elderly and the disabled. Once again, people who are the least able to afford to pay more for housing will have an additional burden placed on them. Time limits would remove people who, in most cases, have no real way to earn additional income so they will be faced with homelessness or an incredible rent burden.

- **Currently, residents are protected with enhanced vouchers if owners of HUD multifamily properties prepay on their mortgages or opt out of renewing project-based Section 8 contracts.** Under SLHFA, enhanced vouchers will only be good for one year. Then, they are converted to regular tenant-based vouchers. We do not have enhanced vouchers, but in tight housing markets it seems to me that this could create a problem. If housing projects are taken to market with a corresponding increase in rent and if the enhanced voucher is only available for one year then the family could easily be faced with the necessity to move and no adequate place to go. The community loses both ways, affordable housing is lost and families now may have no place to go that is affordable.

The voucher program has served the affordable housing needs of this country for years. At least in our area it is a great blend of public and private interests. The housing is affordable to clients, they are not forced to move from one home to another because they get behind on the rent and the FSS program provides help and guidance in moving toward self sufficiency. Private landlords are willing to invest in and maintain property because they can select their own tenants yet be guaranteed a portion of the rent will be paid every month and on time. The landlords develop a commitment to the program because they can see first hand the benefits of the program to them and the community. While anything can be made better, I encourage the subcommittee to carefully consider the proposed changes and to reject those that do not improve the program. Costs should not be shifted to tenants who are not in a position to be able to afford the additional financial burdens.

Thank you for the opportunity to appear before you this afternoon.

David Brightbill's biography:

I am a 1970 graduate of Ohio University with a Bachelors Degree in Education. I have been employed with our agency since July of 1970, serving in progressively more responsible positions and in October 1987, I became executive director. I am a past two-term president of the Ohio Association of Community Action Agencies; former two-term president of The Corporation of Appalachian Ohio Development, (a regional association of Appalachian Ohio Community Action Agencies); currently I serve on the national boards of the Community Action Program Legal Services, Inc. and the Ohio University Alumni Association. I have not received a direct benefit from our current sub-contract (or former contracts) with the City of Marietta to operate the Housing Choice Voucher program although part of my salary and fringe benefits are allocated expenses to the Housing Choice program following our cost allocation plan.