

**Testimony of Telissa Dowling
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**U.S. House of Representatives, Committee on Financial Services
Subcommittee on Housing and Community Opportunity
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Chairman Ney, Ranking Member Waters, and Members of the Subcommittee, I am very honored to testify about the Section 8 voucher program. I am testifying today on my own behalf and I am not representing any organization or agency. As you will learn from my testimony, I know from personal experience how the voucher program can help low income people find stable housing and better their lives. I will not be telling you that the program is perfect, but it is a very good program and any changes that Congress makes to it should be considered very carefully.

The Section 8 voucher program has helped me pay my rent since 1996, when I first received a voucher from the New Jersey Department of Community Affairs (NJDCA), a state housing agency. My daughter, Jaleesa, was going to school in Jersey City, in an area where the schools were in such bad shape that they had to be allocated extra money as a result of a lawsuit. I wanted to move to a better neighborhood, so that Jaleesa, and I could have a better life. The last straw for me was when I bought breakfast for my daughter one morning and some other kids took it from her and threw it in the street – I did not want my daughter to have to go through those kinds of experiences.

I was able to secure a voucher from NJDCA, through its transitional housing program, and I moved to Guttenberg, New Jersey, a smaller community. In Guttenberg, both my daughter and I were able to improve our educational opportunities. My daughter is 14 years old now and she is already talking about going to college. Living in Guttenberg also gives me access to better transportation and other resources that have helped me improve my family's life. My voucher helps me live in a nice building with tenants from a mix of economic and ethnic backgrounds.

When I received my voucher in 1996, I was on public assistance, but within a year, I was able to leave the welfare program. I had been doing community service

through the welfare program at my local public housing authority and I had also begun my studies for an associate's degree in public policy and urban studies. The help from Section 8 with my rent gave my life the stability I needed to be able to attend school, and my studies helped me turn my work at the public housing authority into a job, so I was able to leave welfare. I received my associate's degree from St. Peter's College in 2000. I recently became a program manager for a housing resource center. Without a voucher, I would not have been able to get my degree, I might not have a job, and my daughter and I might be homeless.

My studies also gave me the knowledge and confidence to participate as a tenant. When NJDCA announced the formation of a Resident Advisory Board (RAB), as required by the Quality Housing and Work Responsibility Act of 1998, I understood that this would be the chance for me to provide input and help influence the policies related to my voucher and my housing. I let other voucher tenants know about the importance of participating and making their voices heard. My public policy studies helped me break down some of the information that NJDCA was providing into layman's terms for other voucher tenants. After two years as a member of NJDCA's RAB, I was elected as president of the RAB in 2001, serving on behalf of 19,000 tenants who have vouchers administered by NJDCA. My work on the RAB has led to other opportunities to represent voucher tenants and low income people in a national capacity, and I now serve on the boards of the National Low Income Housing Coalition and ENPHRONT, a national public housing residents' organization.

The difference that having a voucher has made in my life and the lives of other voucher tenants I know make me sure that the proposal to change the voucher program into a block grant to the states is a bad idea. Even though I receive my voucher from a state agency and I know that NJDCA is able to reach tenants around the state and provide housing opportunities for them, I would not want NJDCA to receive a block grant for tenant-based rental assistance. There is a big difference between the system as it is now – with NJDCA and local housing agencies in the states receiving a certain number of vouchers that have certain funding levels and rules established by the federal government – and a block grant.

First, I do not want states to have the kind of flexibility that the block grant proposal in H.R. 1841 would allow. I know that one justification for turning the voucher program into a block grant to states is that it would simplify the program. I am sure that my fellow witnesses who know about property management will explain how having different rules in all of the states actually may make things more complicated. I think that it is important for there to be rules that the federal government has established when the federal government is providing funds, so that taxpayers can be sure they are getting their money's worth and so Congress will know that the money is being used well, to help those most in need. I testified before this Subcommittee last year about some ways to make the rules more flexible within the current framework so that the Section 8 program would work better, such as changes to the rules on the inspection of housing. But turning the program into the block grant would give states so much flexibility that it would be detrimental to the very people that federal housing assistance is supposed to help, voucher tenants and poor people who would like to become voucher tenants.

Another problem with the block grant is its effect on the opportunity for tenants to provide input and be involved in planning. As I understand it, under the block grant, states would not be required to have a Resident Advisory Board. There would be no requirement that states consider tenant input when they make policies. My state has obviously done the right thing already and I would hope NJDCA would not dismantle its RAB under a block grant system. But other states may not be as enlightened as mine and might not bother to establish a RAB or encourage tenant input by other means. Even though H.R. 1841 requires that the state's objectives for the block grant become part of a state's Consolidated Plan, the public participation requirements for the Consolidated Plan are much more general than the participation of tenants required under the current public housing agency planning process.

The block grant could also hurt tenants' efforts to improve their economic circumstances. I want to remind you that I was able to move from welfare to work under the current system. One of the purposes listed by H.R. 1841 is improving coordination with the welfare program, Temporary Assistance for Needy Families (TANF). I do not believe that having states administer both TANF and the block grant will not guarantee good coordination. I have heard that some local housing agencies coordinate well with

TANF and some state agencies do not. Simply having the voucher itself, under the current rules, helped me get off TANF. Plus, only about 13 percent of people receiving vouchers also are on welfare.

One program that helps voucher and public housing tenants improve their economic circumstances is the Family Self-Sufficiency (FSS) program. I have just begun to participate in this program. FSS provides subsidized savings and case management for public housing and voucher tenants seeking better employment opportunities. But states would not be required to continue this program under the block grant, even though it helps families save money for the downpayment on a house, for educational expenses, for buying a car to expand employment opportunities, or for the sorts of financial emergencies that could be devastating without savings to cushion the blow.

Another way that the current voucher program that provides new opportunities is through Section 8 homeownership. With my FSS savings to help me with the downpayment and Section 8 to help me pay my mortgage, I hope to one day become a homeowner. With my current income, it would be hard for me to become a homeowner without these programs and that is why Congress established them. But I am worried that a bank will not trust the money coming from a block grant, since Congress's track record of funding all vouchers would become meaningless under a block grant and banks need a reliable stream of funds to repay a loan.

My studies and experience have shown me how important it is for the voucher program to focus on serving the poorest people, since those people have the most trouble affording housing. But H.R. 1841 would allow states to reduce the percentage of extremely low income people admitted to the program from the current 75 percent to 55 percent. The Millennial Housing Commission found that there is a gap of nearly two million units of housing compared to the number of households at the lowest end of the income ladder. It is hard for me to imagine any state that could justify not continuing to use at least 75 percent of its funds to serve those poorest people. But there is a pretty low hurdle for a state to show it needs the waiver to serve fewer of the poorest families under the block grant legislation.

It is also very important to me and other voucher tenants that we do not have to pay too much of our income in rent. But the block grant would change the general

standard that new tenants pay 30 percent of *adjusted* income for rent to 30 percent of *gross* income for rent, so certain expenses, such as medical and child care expenses, will no longer be considered. New tenants can choose to pay as much as they want, rather than the current cap of 40 percent of adjusted income. And after the initial lease term, states would have full discretion to set the rent levels, so tenants could be required to pay significantly more than 30 percent of their income for rent.

Another problem is whether tenant-based rental assistance under the block grant would be able to help people live in neighborhoods with less poverty. My voucher allowed me to move to a neighborhood with less poverty than where I had been living before. But the block grant legislation does not provide much guidance to states about the subsidy they should pay toward rents and just requires that the maximum subsidy paid toward rent by the state must be “reasonable and appropriate for the market area” (§8(d)). Rents would no longer be connected, as they are under the current system, to the Fair Market Rents established by HUD for every jurisdiction. The subsidy the states pay might not be enough to let tenants find housing in neighborhoods that may be more expensive, but have better housing, schools, and job opportunities.

States might have the best intentions to continue tenant participation and the Family Self-Sufficiency program; to serve more rather than fewer people in need; to maintain deep targeting; and to pay rents high enough for tenants receiving assistance to live in neighborhoods like mine, with access to decent housing, jobs, and good schools. But my biggest worry is that the funding of the block grant will not keep up with need over time. And that could cause states with even good intentions to have to make the types of changes I have described in this testimony – changes that will hurt tenants and hurt the program. H.R. 1841 even imagines that funding could *decrease* under the block grant and explains how HUD should pro rate the distribution of funds to each state if Congress appropriates less funding in one year than in the prior year.

The current system makes a strong connection between each voucher in each community and the overall funding Congress provides. But a block grant would divorce Congress from direct responsibility for individual vouchers, making it easier for Congress to provide less rather than more – or, even if an increase, not enough of an increase to

keep up with real increases in housing costs. States would then need to make tough decisions and would be free to implement the sorts of changes I have described.

And while current tenants are “grandfathered” in for a few years under the current rules of the Section 8 program, after that, my voucher might not be safe. Even in the interim, under H.R. 1841, if Congress does not provide enough money to fund the vouchers of all of the families currently assisted, states should do their best to serve the same number of families – but that could mean that I would have to pay a lot more of my income in rent, for instance, if New Jersey did not get enough money from Congress.

For all of these reasons, I respectfully and strongly recommend that Congress continue the current system of allocating specific numbers of vouchers to local and state housing agencies under the general framework that exists today. There are ways to improve the voucher program without turning it into a block grant and I testified about some of those improvements last year. I hope that you will consider improvements to the program that are not as radical and risky as a block grant.