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Good afternoon. My name is Peter Tatian and I am a senior researcher in the Urban Institute's Metropolitan Housing and Communities Policy Center. I have also lived in Washington, D.C., since 1987 and am currently a homeowner in Ward 5. I am happy to provide this testimony on the proposed rent supplement program. I hope to provide an overview of the latest data and research that will be useful to the Council in its consideration of this proposal.

The most recent data show a strong need for additional rental assistance in the District of Columbia, and years of experience around the country have demonstrated that a rent supplement program, such as the one the Council is considering, can be an effective means to provide such assistance. Research also shows that a number of other supports, such as tenant mobility counseling and landlord outreach, are essential in ensuring that such a program achieves its full potential.

Need for additional rental assistance in Washington, D.C.

The need for additional assistance for D.C. renters is quite clear based on the latest data on rising rents. The region's current economic boom has provided enormous benefits to our city, but has also increased the demand for both homeowner and renter housing, resulting in dramatically increasing housing prices. As noted in the latest *Housing in the Nation's Capital* report (Turner et al. 2005), the fair market rent for a two-bedroom apartment in the Washington, D.C., region increased 45 percent between 1999 and 2005 (to \$1,187), a larger increase than in all but 10 of the nation's 331 metropolitan areas. Assuming that a household can reasonably spend 30 percent of its income on housing, the annual income needed to afford a typical two-bedroom apartment in the District of Columbia increased to \$47,480 in 2005, almost twice the wages of a full-time receptionist.

Rapidly rising rents mean that households, especially those with lower incomes, have to pay a larger share of their incomes on housing. The share of District renters paying more than 30 percent of their household income for housing increased from 39 to 46 percent between 2000 and 2004; the proportion paying more than 50 percent of their income increased from 18 to 23 percent.

Research on rent supplement programs

Rent supplements have proven to be an effective means of providing housing assistance to low-income families. Much of the research on this topic has examined the federal Housing Choice Voucher program (formerly Section 8 vouchers), which is similar to the proposed D.C. rent supplement program.



The most important advantage of rent supplements (vouchers) is that they give recipients the freedom to choose the kinds of housing and the locations that best meet their needs. Federal housing construction programs (such as public housing) have historically clustered assisted families in low-income, central-city neighborhoods, contributing to both concentrated poverty and racial segregation. In contrast, vouchers have generally allowed assisted families to disperse more widely and to live in lower-poverty, less-segregated neighborhoods. National research confirms that only a minority of voucher holders live in high-poverty neighborhoods. For example, 58.6 percent of voucher recipients live in neighborhoods that are less than 20 percent poor, and only 22.2 percent live in neighborhoods with poverty rates in excess of 30 percent (Devine et al. 2003).

In the District of Columbia, the latest data show that in 2004 housing choice voucher holders were living in neighborhoods throughout the city, including areas with the most rapidly increasing housing costs, such as Ivy City, Mt. Pleasant, and Logan Circle.

Research on how to make rent supplements effective

Nevertheless, while rent supplements can be an effective means of providing assistance to renters, there are several challenges to ensuring that such a program achieves its full potential. Particularly in higher-priced communities, it can be difficult for some families to find a house or apartment where they can use their vouchers. The most recent national study of success rates among voucher recipients found that 69 percent of households that received a voucher were successful in using it, down from 81 percent in the late 1980s (Finkel and Buron 2001).

Even when suitable rental units are available, landlords may be unwilling to participate in the voucher program. Although it is illegal for landlords in the District of Columbia to refuse to rent to applicants because they are using a voucher to pay for all or part of their rent, testing done by the Equal Rights Center has shown that some landlords still turn down voucher holders.

Experience from programs around the country points to promising strategies for making vouchers work better. These strategies can be implemented within the proposed rent supplement program and can potentially improve outcomes for families substantially.

- *Mobility counseling and assistance can help rent supplement recipients understand the locational options available, identify housing opportunities, and negotiate effectively with landlords.* Evidence from assisted-housing mobility programs across the country indicates that this kind of supplemental assistance can significantly improve locational outcomes for voucher recipients, resulting in greater mobility to low-poverty and racially mixed neighborhoods (Goering, Stebbins, and Siewert 1995; HUD 1996, 1999; Turner and Wilson 1998).



- *Landlord outreach, services, and incentives, though sometimes viewed as a component of mobility counseling, actually involve very different activities.* With the addition of new rent supplements, there will be a greater need to recruit landlords into the program and break down barriers, either real or perceived, to landlord participation. The D.C. Housing Authority already has in place an advisory committee, made up of landlords and housing managers, that tries to resolve issues or problems that have been encountered in the voucher program. This committee could be expanded to include representatives of agencies that work directly with voucher holders. It should continue to work actively to recruit new landlords into the program by listening to landlord concerns, addressing red tape and other disincentives to participation, and—possibly—offering financial incentives to landlords to accept rent supplement recipients.

Thank you for giving me the opportunity to speak to you today.



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