
Government of the District of Columbia



Office of the Tenant Advocate

Testimony of

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**PROPOSED FISCAL YEAR 2012
BUDGET HEARING**

Committee on Public Services and Consumer Affairs
The Honorable Yvette Alexander, Chairperson
Council of the District of Columbia

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10:00 a.m.

Room 500
John A. Wilson Building
1350 Pennsylvania Avenue, NW
Washington, DC 20004

Good morning, Chairperson Alexander and members of the Committee on Public Services and Consumer Affairs. I am Johanna Shreve, the Chief Tenant Advocate of the District of Columbia in the Office of the Tenant Advocate. I am here this morning to present testimony regarding the agency's Fiscal Year 2012 proposed operating budget. Let me express at the outset my appreciation to the Mayor, the Committee, the Council and the community, for supporting the OTA's work. Before I discuss the proposed budget, I would like to briefly discuss the OTA's mission and the context for the agency's creation, as well as our progress to date.

The OTA'S mission

Sixty to sixty-five percent of District residents are renters. Despite some of the strongest tenant rights laws in the nation, many of these renters perennially confront challenges regarding the availability, the affordability, and the quality of rental housing in the District. For them, tenant rights have tended to exist more on paper than in the reality of their daily lives. This is due largely to imbalances inherent in the landlord-tenant relationship, which are reflected more generally in the resources that are available, respectively, for housing provider advocates and for tenant advocates. Those in the rental housing business should be more knowledgeable than their tenants about the

laws and regulations that govern landlord-tenant relations, but too often this superior knowledge is turned against tenants unfairly if not unlawfully. Housing providers also tend to have greater access to quality legal assistance. Besides the high cost of hiring an attorney, it is also true that rental housing cases tend to be considerably more remunerative for attorneys who represent the landlord than for attorneys who represent the tenant. This financial imbalance has contributed to a further imbalance in terms of the sophistication and cohesiveness of advocacy at the legislative level, but even more so at the administrative level. Moreover, as we have seen on various occasions, this in turn has contributed to tenants having less meaningful access to those in government who are responsible for administering and executing the laws.

The role of the OTA is not to try to elevate tenant rights over the legitimate rights of housing providers. Indeed, we strive to strike appropriate balances and forge consensus and constructive dialogue with housing providers whenever possible. Rather, our essential role is to help level the playing field which ultimately serves everyone well, including District tax-payers as well as tenants and housing providers themselves. After all, chronic disrepair, homelessness or threatened homelessness, and protracted landlord-tenant disputes place significant -- and completely

avoidable -- burdens and costs on multiple District agencies and scarce government resources.

In short, an independent voice for tenants within the government is an essential antidote to the imbalances that exist between landlords and tenants, and an essential counter-balance to factors that weaken the effectiveness of the tenant protection laws. As that independent voice, we believe we are helping to reverse the historical picture of a tenant community that is underserved, under-represented, under-informed about renters' rights, and too often exploited or unlawfully deprived of critical rights, including sometimes even tenants' and their families' homes.

The OTA's progress

The OTA was established as an office within the Department of Consumer and Regulatory Affairs in 2005; I began my tenure as the District's first Chief Tenant Advocate in 2006; and the OTA became an independent agency in 2007. In this relatively short period of time, the OTA has taken major strides towards fulfilling its statutory duties. They include: providing technical advice and legal services to tenants regarding disputes with landlords; educating and informing the tenant community about tenant rights and rental housing matters; advocating for the rights and interests of District renters in the legislative, regulatory, and judicial contexts; and

providing financial assistance for certain emergency housing and relocation expenses to tenants displaced by fires, floods or government closures.

I am proud of the progress the OTA has made since its creation, and particularly since it became an independent agency in 2007. Over the past three (3) fiscal years, our client intake has more than doubled to include over 2,200 cases and over 9,000 individuals in the last fiscal year alone. Also in the last fiscal year, through the Emergency Housing Assistance Program, we provided relocation housing to 280 individuals in 95 cases who were displaced by a fire, flood, or government closure. We have added a new attorney to our litigation team in each of the past two (2) fiscal years, and thus we have been able to help tenants on an array of legal fronts. They range from eviction actions at Landlord and Tenant Court, to disputes regarding the tenant opportunity to purchase, to rent increase cases before the Office of Administrative Hearings. Regarding policy advocacy, we have helped to advance the rights and interests of tenants by working with the Council on legislation regarding a broad range of concerns, including preserving TOPA rights and establishing the basic right to tenant associational standing at administrative hearings; with sister agencies on a variety of rule-making and administrative matters; and with D.C. Superior Court and advocates regarding the new Housing Conditions Calendar.

Furthermore, regardless of the fiscal environmental, I am ever mindful of the need to be frugal with taxpayer dollars and to do more with less. Thus, I have encouraged a cooperative atmosphere in which each staff member is expected to contribute to multiple programmatic areas, and to help find ways to improve our delivery of services and enhance our impact and effectiveness.

The FY 2012 budget proposal

Let me now turn to the Mayor's FY 2012 budget proposal for the OTA. The Mayor's proposal would keep the OTA's operating budget essentially at FY 2011 levels. The agency would retain a total of 13.5 FTE's who staff our programmatic areas -- including technical advice and legal representation; legislative and policy advocacy; education and outreach; emergency housing assistance; as well as administration. Our proposed operating budget is \$1,924,000. This represents a net increase of about \$108,000 to cover such items as a higher assessment of our telecom costs, salary/fringe adjustments, and supply needs.

Of course, ideally, our resources would grow to meet the ever-increasing demand that the community is placing on the services of this still-growing agency -- for education and outreach, for emergency housing assistance, and for technical and legal help and representation. Again,

however, I am keenly aware of the need especially in these fiscally challenging times to do more with less. I am pleased to report that the Mayor's proposed budget will allow the OTA to continue to meet all of its statutory mandates; it will not force us to curtail plans we have developed or are developing to increase our impact and effectiveness using the resources we have; and given the District's fiscal climate, I believe it does reflect the government's commitment to help the OTA fulfill its important mission to level the playing field, and to help meet the tenant community's needs through each of our major programmatic areas.

I note that the Mayor in his proposed FY 2012 budget significantly shifts the agency's funding source towards local funds, and away from two special purpose revenue (SPR) funds, both of which are now dedicated in part to supporting the OTA's administrative and operational purposes. As you know, Chairperson Alexander, these two SPR funds are the Condo Conversion Fund and Rental Accommodation Fee (or per unit fee) Fund. As we understand it, the rationale is that SPR has not been reliable; that SPR is not sufficient for FY 2012 to sustain the OTA at current budget levels; that local funds will be necessary to maintain consistent funding levels for the OTA in out-years; and that it is preferable to establish an appropriate base-line level of local funds for the OTA in this budget cycle rather than in

a future budget. Certainly I appreciate where the Mayor is coming from on this matter, as well as the intention to ensure that the OTA is funded at consistent if not growing levels in the years to come.

Renters insurance

I would like to end my testimony by mentioning what I believe may prove to be a new way to generate revenue to support the OTA in future budgets. Too few tenants in the District carry renters' insurance policies to protect their personal belongings in the event of a disaster, and the cost to renters themselves and to the District when the worst happens is too high. In consultation with the Committee, the Mayor's office, and DISB, we have begun to think about the possibility of creating a new renters' insurance product involving public/private and/or inter-agency partnerships.

The purpose of this new product would be multi-fold: to encourage more tenants in the District to insure their personal property; if possible, to do so at lower rates than are currently available; to save the District and the OTA money in terms of Emergency Housing Assistance Program dollars, some of which renters' insurance would cover; and potentially to generate revenue for the District and/or for OTA. We are just at the beginning stages of that discussion, but I do believe that this idea has the potential to yield positive results for the District, and for the tenant community, on multiple

levels. I look forward to discussing this matter further with the Committee as well as the Mayor and DISB and others as we develop the issues and outline a proposal.

Conclusion

Thank you, Chairperson Alexander, for this opportunity to testify about the OTA's proposed budget for FY 2012, and again I thank you and the Committee for your support of the OTA's mission and tenant rights in the District of Columbia. This concludes my testimony and I am happy to answer any questions you may have.