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Housing Authority Takes Action to Save Low-income Families from Losing Housing Assistance

LOS ANGELES – The Housing Authority of the City of Los Angeles (HACLA) today announced policy changes to the Section 8 Housing Choice Voucher program (HCVP). Implementing the recommended measures by the U.S. Department of Housing and Urban Development (HUD) allows the agency to continue to serve the maximum number of program participants without terminating housing payment assistance to thousands of Los Angeles families.

"The City of Los Angeles has an unwavering commitment to assisting low-income families with housing options," said Mayor Antonio Villaraigosa. "While other housing agencies across the country are forced to terminate families from Section 8 programs due to budgetary issues, the City of Los Angeles and HACLA have proactively developed a long term solution to ensure families can continue to receive housing assistance payments during this difficult time."

Section 8 participants currently pay about 30% of their income toward rent and the agency pays the rest in the form of Housing Assistance Payments (HAPs). Since the beginning of 2009, as a result of the downturn in the economy and high unemployment rates, there has been an increase in the cost of HAP payments. Families are contributing less toward their rent, putting tremendous strain on the HUD allotted Section 8 budget. HACLA is following HUD's recommendations to reduce costs by decreasing the Voucher Payment and Subsidy Standards.

In Los Angeles, there are more than 45,000 HCVP participants who receive rental subsidy. Less than 25% or 11,000 participants will be affected. Lowering the Voucher Payment and Subsidy Standards does not mean that all participants will pay



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more for rent. For example, a family of four with two children currently living in a three bedroom can choose to move to a two bedroom dwelling in order to avoid paying higher rent. Tenants can also work with their landlord to minimize rent increase. Due to the fact that HACLA's budget is limited by the federal government, failure to follow HUD's recommendations could force the agency to terminate more than 5,000 families from the program next year.

"HACLA is not alone in facing serious funding challenges," notes Sunia Zaterman, Executive Director of the Council of Large Public Housing Authorities (CLPHA). "Housing authorities across the country are struggling to work within their budgets to meet their program needs, which is why HUD has issued recommendations to guide them. HACLA is acting proactively to demonstrate its commitment to continuing to assist all of its voucher holders through this challenging economic time."

"Because the U.S. Congress has not adequately addressed the financial impact of the recession on Section 8 programs, Congress has put HACLA in an untenable position--either eliminate families from the program or reduce the Housing Authority's contribution that is needed to support their families." said Ruth Schwartz, Executive Director of Shelter Partnership, Inc., a non-profit homeless advocate organization.

In April 2009, this agency's management of its Section 8 program received a "High" performer designation by HUD. The Section Eight Management Assessment Program (SEMAP) Review is a "report card" for public housing agencies (PHAs) who administer the Housing Choice Voucher Program. The review assesses PHA's quality control system with respect to compliance with program requirements and program management.

The Housing Authority is committed to serving the maximum number of low-income residents despite the limited budget. Efficient use of federal dollars with implementation of new HUD program guidelines will ensure that families in need in Los Angeles can continue to receive rental assistance in a city with one of the highest costs of housing.

The program adjustments will be applied on December 1, 2009 for families with new vouchers and those who have an open voucher to move, and will be phased in monthly for continuing program participants starting with each family's annual re-examination effective February 1, 2010.

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