

**LAWRENCE TRIESCH, ASSISTANT DEPUTY DIRECTOR
HOUSING AUTHORITY OF THE CITY OF LONG BEACH
THE HOUSE SUBCOMMITTEE ON HOUSING AND COMMUNITY OPPORTUNITY
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I, Lawrence Triesch, Assistant Deputy Director of the Housing Authority of the City of Long Beach (HACLB) welcome this opportunity to testify before you today to discuss the Housing Choice Voucher (HCV) program. Long Beach, which is the fifth largest city in California is a seaside community of nearly a half million people nestled in the southeast corner of Los Angeles County. Our population is diverse with over 45 different languages spoken in our city schools.

The need for housing assistance in the City of Long Beach is great. According to the 2000 census, over 25,000 of the City's 163,000 households are considered to be extremely low income as defined by HUD (income at \$16,900 or less for a family of four). Although the Housing Authority now serves over 6,000 of these households, and others are served through privately owned subsidized units, there are still thousands of families who do not have access to adequate affordable housing. This program which is an integral part of the City of Long Beach's affordable housing strategy not only provides rental subsidies to over 6,000 very low income families, we also have a Family Self Sufficiency program with over 1,100 participants, a HOPWA program serving families living with Aids, Shelter Plus Care program for the disabled and a Section 8 Homeownership program. HACLB is currently a high performer under the Section 8 Management Assessment Program (SEMAP) and consistently maintains a 99-100% voucher utilization rate.

Recent Economic downturns in our area have exacerbated the need for more affordable housing. The closing of the Long Beach Naval Shipyard and the downsizing of aerospace giants such as Boeing have caused a tremendous drain on the stability of many families in our area. With incomes as low as they are for so many families, and rental costs at record highs, thousands of families are paying an amount for rent that allows them almost nothing to live on. While still others are living in overcrowded conditions in our central city area.

The Housing Choice Voucher program provides help to these families. However, reforms such as Bill HR1841 or "HANF" with its provision of providing funds thru block grants to the states may constrict these efforts. Our current waiting list has over 14,000 applicants with a large percentage being elderly and disabled families. It has been estimated that it will take 5-6 years to reach the majority of these applicants with our current funding levels.

HUD proposes to convert this successful program to a state-administered Block grant program in which future funding levels will not be tied to specific units and actual costs. This conversion will result in a lack of local control, input and responsiveness to local market conditions and will add a new and costly layer of bureaucracy between the Federal government and public housing agencies. Since future funding levels will not be tied to specific units and actual costs, there is a serious risk that funding will not keep pace with the rising cost of rental housing, resulting in:

- Reduction of the number of families served.
- The portion of rent paid by each family would be increased, decreasing affordability.
- 42 of the 50 states according to NAHRO Report would experience funding shortfalls under “HANF” over the next five years.
- NAHRO’s analysis also showed that HANF’s proposed 10 percent cap on administration fees would cut state administrative fees by nearly 13 percent, undermining their ability to delivery services.

How do we move forward with a more effective, fiscally responsible program that preserves our scarce resources of affordable housing? I suggest we move forward with those who best know the diverse rental markets across our state, the Public Housing Authorities (PHA).

The Public Housing Authorities can more readily monitor rental trends in their areas, establish working relationships with partners in the housing industry (such as apartment associations, governmental entities, realtors, property management associations and other non-profit entities) assist our clients in over coming barriers to using their Housing Choice Vouchers.

To address these local barriers to housing, empower the housing authorities by stripping away unnecessary requirements and regulations that are not central to the program’s fundamental mission; this can be done without block granting the program to the states.

For instance in Long Beach we have partnered with “On Your Feet” (a non-profit organization) to assist our clients in locating and securing affordable housing units and expanding the amount of time initially given to a Housing Choice Voucher holder. This has improved our lease up rate to 100% even in a low vacancy rate coastal city with record high rents.

Improving owner participation in the program is a major key to success. We have established an outreach program to regularly communicate with property owners regarding the program regulations and good property management practices. We also hold forums periodically for discussions on how to provide better working relationships with the ownership community. However, we find in our area that as the supply of affordable housing shrinks, owners are increasingly unwilling to accept Housing Choice Vouchers. The number one complaint we hear is that the regulatory burdens associated with the program, especially regulations not normally present in market rate housing, deters them from participation in the Housing Choice Voucher program. Flexibility to adjust to these market pressures is necessary.

We have recognized that affordable housing issues are widely varied thru out the state and will call for fresh and unique local approaches for resolution. Block Granting the program to the states is not the answer, it does not address this issue. Those most knowledgeable

about the housing markets in their areas and the partners available to assist in these markets hold the key to success of the program with the improved Financial Monitoring recently implemented by HUD.

In conclusion, a review and overhaul of the regulatory requirements for the program can and should provide the efficient use of funds and services for the clients, the owners, the Public Housing Authorities and HUD.

I appreciate the opportunity to share my viewpoints for improving the program and I am ready to assist with the implementation of changes toward that effort.