

**Congressional Testimony Of  
Ruth Schwartz, Executive Director  
Shelter Partnership, Inc.  
On the Federal Housing Choice Voucher Program:  
The Los Angeles Experience for Very Low Income Households**

**Committee on Financial Services,  
Subcommittee on Housing and Community Opportunity  
United States House of Representatives**

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**10:00 AM**

**California Science Center  
Los Angeles, California**

Good Morning, Chairman Ney, Ranking Member Waters and Members of the Subcommittee,

My name is Ruth Schwartz, Founder and Executive Director of Shelter Partnership, Inc. a nonprofit organization established in 1985 to assist in the development of housing and resources for individuals and families who are homeless or at-risk of homelessness in Los Angeles County. According to our estimates, there are as many as 84,000 homeless persons nightly in the County of Los Angeles with approximately 40,000 located in the City of Los Angeles.

*Based on my experience, without a doubt, the most successful program that has been developed for homeless families and individuals in Los Angeles County has been the Section 8 Homeless Assistance Program. Through local ingenuity, coordination, strong involvement of community-based agencies, and systems integration, the Section 8 program has been a major change agent in the lives of thousands of homeless individuals and families, as well as people at imminent risk of homelessness.*

In my testimony today, I would like to point out the great success of locally administered Section 8 programs. With all due respect to the State Department of Housing and Community Development, the success of the program would be lost if the program were to be administered by the State of California.

I will also highlight the Section 8 Homeless Assistance Program overall, as well as specialized programs for homeless persons with a chronic mental illness, and homeless and very low-income households living with HIV/AIDS. I will briefly discuss the need for local administration of the program as it relates to the project-based Section 8 program, and lastly conclude with recommendations for program improvements.

Permanent, affordable housing is the most important intervention that can help a homeless person or family regain some semblance of normalcy and health. This is borne out by the research findings of several in-depth studies that the most important intervention in the stability of homeless families is stable, affordable housing.<sup>1</sup>

### Section 8 Homeless Assistance Program

In 1991, the Housing Authority of the City of Los Angeles (HACLA) with Shelter Partnership's assistance responded to a request from HUD to develop a Section 8 rental assistance program that targeted families and the disabled who were homeless. With the leadership of the late Mayor Tom Bradley, \$250,000 in Community Development Block Grant (CDBG) funds was allocated to the project to help fund 12 community-based organizations. These agencies were funded to assist homeless households prepare to move into housing, locate housing, and outreach to landlords on behalf of the households. As a result, more than 1,600 housing Section 8 housing vouchers were awarded by HUD to HACLA (equivalent to 66% of the total County's allocation) and the Section 8 Homeless Assistance Program was born.

Today, HACLA has assisted more than 5,100 families and single households who were previously homeless through the program.<sup>2</sup> The Housing Authority of the County of Los Angeles (HACoLA) replicated this program in 1995 and currently 1,467 homeless households have secured Section 8 assistance.

In addition to receiving housing placement assistance, these previously homeless households have also received on-going case-management for at least six months after they moved into housing. This is particularly important because many people who have experienced homelessness begin to experience great difficulty generally after three months in stable housing. The households also receive help with move-in grants, largely from the federally funded Emergency Food and Shelter Local Board Program, as well as assistance in securing needed furniture, etc. They also receive services to help them become acquainted with their new neighborhood to improve their chances of success.

As a result of this successful program, HACLA has expanded the program to include maximum utilization of the Shelter Plus Care Program, which couples rental

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<sup>1</sup> Marybeth Shinn, *Predictors of Homelessness Among Families in New York City: From Shelter Request to Housing Stability*, 1998; Debra Rog, *Reconnecting Homeless Individuals and Families to the Community*, 1998; and the U.S. Department of Housing and Urban Development, *Priority Home: The Federal Plan to Break the Cycle of Homelessness*, 1995.

<sup>2</sup> Housing Authority of the City of Los Angeles (HACLA), Section 8 Division, *Housing Opportunities for Persons with AIDS (HOPWA) Status Report: Tenant-Based Rental Assistance Program*, Prepared for the Los Angeles Housing Department, May 2, 2003.

assistance and housing for disabled homeless individuals. Since the inception of this federal program in 1992, HACLA has successfully secured rental assistance payments through this program with 1,214 units now awarded. HACoLA has successfully secured rental assistance payments for 510 units

#### Integrated Services for Homeless Adults Program

One partnership that I would like to highlight is with the Los Angeles County Department of Mental Health and their 16-partner mental health agencies implementing the State's Integrated Services for Homeless Adults Program. Established as a pilot program in 1999 in three California counties, this program has now been expanded to serve nearly 5,000 homeless mentally ill adults in 34 counties.

This program, with a strong outcome orientation, is designed to assist homeless mentally ill individuals who live on the streets or have been incarcerated in jails accomplish several goals, including the following: 1) live in the most independent, least restrictive housing feasible in the local community; 2) reduce or eliminate antisocial or criminal behavior and thereby reduce or eliminate their contact with the criminal justice system; and 3) reduce or eliminate the distress caused by the symptoms of mental illness.

From 1999 through January 31, 2003, in this program there has been a 67% decrease in homeless days (from 983,709 to 321,667), a 72% reduction in incarceration days (from 213,106 to 59,434), and a 56% reduction in psychiatric hospitalization days (from 37,938 to 16,778).<sup>3</sup>

The program has been particularly successful in Los Angeles County where through a partnership with HACLA and HACoLA, more than 60 homeless mentally ill individuals enrolled in the program have obtained permanent, supportive and affordable housing this past year alone. The mental health agencies continue to work with the individuals to assure that they are able to maintain their housing.

Overall, homeless individuals with mental illness have secured more than 1,000 Section 8 vouchers through HACLA and HACoLA.

#### Housing for Persons Living with HIV/AIDS

Another homeless and low income population that I would like to highlight in my remarks today that have greatly benefited from a partnership with local housing authorities are persons living with HIV/AIDS. Los Angeles County accounts for 5% of the country's AIDS cases and one-third of all AIDS cases in California.<sup>4</sup>

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<sup>3</sup> Mental Health Association Los Angeles, "Reducing Incarceration and Homelessness among People with Mental Illness: An Update on the First 3 Years of the California AB 34/2034/334 Program." June 12, 2003.

<sup>4</sup> Los Angeles County Department of Health Services (DHS) and the Office of AIDS Programs and Policy (OAPP). *Ryan White Comprehensive AIDS Resources Emergency Act Title I Application Fiscal Year 2003*, October 9, 2002.

Furthermore, an estimated one-third to one-half of persons living with AIDS in the United States are either homeless or at imminent risk of homelessness.<sup>5</sup> In a 1999 study by Shelter Partnership of persons living with HIV/AIDS in the City and County of Los Angeles, 65% of survey respondents had been homeless at some point in their lives. For respondents who had reported being homeless, nearly half (46%) were currently homeless. Moreover, up to 50% of the respondents who were not currently homeless believed that they were at imminent risk of becoming homeless.<sup>6</sup> According to the Los Angeles County Office of AIDS Programs and Policy estimates, 7,571 homeless persons are living with HIV/AIDS, including 2,911 persons living with AIDS.<sup>7</sup>

In conjunction with the locally administered federally funded Housing Opportunities for Persons Living with AIDS (HOPWA), beginning in 1993, HACLA has assisted more than 2,080 families, with 1,165 families “rolled over” to now receiving a Section 8 rental subsidy. How this works is that for one to two years, HOPWA funds are utilized to fund Section 8 rental assistance subsidies operated by four respective housing authorities (HACLA, HACoLA, Long Beach and Pasadena). Participating non-profit organizations in the City’s system have included several agencies serving persons living with HIV/AIDS, including AIDS Project Los Angeles, AIDS Service Center, Minority AIDS Project, Palms Residential Care Facility, and Watts Labor Community Action Committee.<sup>8</sup>

HACoLA has assisted almost 500 persons living with AIDS secure Section 8 vouchers through this program.

In 2001, HACLA developed a “fast track” program, utilizing a dedicated phone line, for persons living with HIV/AIDS. As of spring 2003, 1,441 HOPWA “Fast Track” participants living with HIV/AIDS have already been contracted and moved into subsidized housing.<sup>9</sup>

#### Project-based Section 8 Vouchers

In the 2001 federal Appropriations Act, the number of voucher units were increased that a Public Housing Authority may opt to project-base and extend the program to existing housing not needing rehabilitation. However, in the last month the proposed rules, under review by OMB, have been withdrawn.

We are concerned about this development because currently project-based developments cannot be implemented in census tracts where more than 25% of the individuals are living in poverty. Unlike the majority of the country, the Los Angeles-Long Beach metropolitan statistical area saw a significant increase in concentrated

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<sup>5</sup> J.Y. Song. *HIV/AIDS & Homelessness: Recommendations for Clinical Practice and Public Policy*. Health Care for the Homeless Clinicians Network, National Healthcare for the Homeless Council, Inc.: Nashville, TN, November 1999.

<sup>6</sup> Shelter Partnership, Inc. *A Report on Housing for Persons Living with HIV/AIDS in the City and County of Los Angeles*. City of Los Angeles Housing Department, June 1999, 27.

<sup>7</sup> DHS and OAPP (October 9, 2002).

<sup>8</sup> HACLA, May 2, 2003.

<sup>9</sup> HACLA, May 2, 2003.

poverty among both the black and Hispanic poor. According to the 2000 Census, 137 census tracts were high poverty areas, whereas in 1990, there were 56 census tracts in high poverty areas, for an increase of 144%.

This was largely the result of concentration in Hispanic high-poverty communities. According to The Brookings Institution: “With their substantial immigrant populations, Western inner-city barrios could represent more of a “gateway” to residential and economic mobility than inner-city ghettos in other areas of the country.”<sup>10</sup>

Los Angeles County and Los Angeles City, as well as the State of California, have made recent major commitments to the development of affordable housing, however, without the ability to project-base Section 8, opportunities will be lost to serve the very poorest in our community. The most important source for operations for housing for previously homeless or very-low income households is rental assistance connected with the unit. According to a 1999 study conducted by Shelter Partnership, of the 1,624 permanent housing units funded in Los Angeles, 80% of the units had some form of Section 8 rental assistance attached to the unit.<sup>11</sup>

### Conclusion

In Los Angeles County, with a population of more than 9.5 million residents, the Section 8 Program is working very well and is helping the poorest amongst the poor gain a foothold in our society. We strongly encourage your Committee to continue its extremely successful partnership with local housing authorities and to increase their ability to respond to local changes in a rental market that is market driven.

We agree with other observers who believe that there should be more control given to the local housing authorities to help establish rent levels. For instance, when HUD established the market rent at the 40<sup>th</sup> percentile of Fair Market Rents, it was very difficult to find landlords willing to accept Section 8 tenants. The new standard approved by HUD in October 2002 at the 50<sup>th</sup> percentile of Fair Market Rent for the Housing Authority of the City of Los Angeles (HACLA) has resulted in the lease-up rate increasing from less than 90% to the current rate of 99%.

In conclusion, local housing authorities, working with community-based organizations, are able to identify interventions that are needed to meet the needs of their residents, including persons who are homeless and disabled. We fear that this feature would be lost with the proposed State block grant proposal.

Thank you very much for the opportunity to share our views before the Subcommittee today.

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<sup>10</sup> Paul A. Jargowsky, *Striving Progress, Hidden Problems: The Dramatic Decline in Concentrated Poverty in the 1990's*, The Brookings Institution, Center on Urban and Metropolitan Policy, May 2003.

<sup>11</sup> Shelter Partnership, *Permanent Housing for the Homeless, A Study and Directory of Resources, Los Angeles County*, February 1999.