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Via Electronic Mail

City of Los Angeles Housing Committee
City Hall
200 North Spring Street
Room 1010
Los Angeles, California 90012

Re: Source of Income (Agenda Item 5)

Dear Housing Committee Members:

The Apartment Association of Greater Los Angeles' (AAGLA) strongly opposes the proposed "Source of Income" ordinance (Agenda item 5), which would require all rental housing providers in the City to participate in housing voucher programs and, in particular, the severely dysfunctional Section 8 voucher program.

AAGLA represents thousands of smaller, "mom and pop" rental property owners within the City of Los Angeles. Many of our members are retired seniors that worked regular 9-5 jobs for decades, scrimping and saving to afford their small investment in rental property that secures and supplements their retirement and at the same time provides affordable housing to the members of their community. Many of our members are multi-generational immigrants, retired teachers and retired first responders that chose to make a small community investment as their way to house themselves and others. Our members are the types of owners that the City desires all rental property owners to be, responsible, caring and reasonable.

The Section 8 program was established and exists today as a voluntary voucher program administered by the Federal Government. When properly administered, Section 8 adequately serves the needs of both rental housing providers and renters alike. Rental housing providers can fill unit vacancies and renters are housed, which also addresses a greater societal need to reduce homelessness. Glendale is an example of a city where the Section 8 voucher program is properly administered, and as a result, property owners

willingly participate the program. However, in the City of Los Angeles the Section 8 voucher program is not adequately administered. Property owners within the City of Los Angeles have become disenfranchised and complain bitterly about the difficulties they regularly encounter.

Moreover, the reality is that there are many challenges inherent in the Section 8 program. These challenges have also deterred wider participation, especially for our City's smaller rental property owners. The program is difficult to navigate and entails a lengthy process in which a rental property owner must enter into a contractual relationship with the federal government using a non-commercial lease form, requires the unit under consideration to remain vacant throughout the application and inspection process, required inspections often result in further delays, payments may be delayed due to federal budgetary appropriation issues or due to the Housing Authority's inspection process, and there are no supportive, "wrap around" services linked to the program that could provide assistance to recipients with mental health and related supportive needs.

Small rental property owners also do not have attorneys on staff or on retainer to assist them with the program's complicated contractual obligations. Small property owners are reliant on their rental income for their financial livelihood and do not have the financial resources to cover their expenses when faced with administrative or payment delays.

A very common administrative headache occurs during the inspection process. All Section 8 units must be inspected prior to move-in. A unit can fail an inspection for a variety of issues, including minor ones that have nothing to do with habitability, such as a single wall outlet that doesn't work. These minor issues carry the same weight for inspectors as major ones and cause long delays while owners must wait for re-inspections even if the minor issue can be corrected almost immediately. Sadly, while the inspection process causes these protracted delays during which time property owners do not receive rent, and at the same time a homeless veteran or family in need of a place to live are not receiving housing.

While we support the fundamental principles and goals of the Section 8 program, we do not support forcing property owners to participate. When properly administered, the Section 8 voucher program adequately serves owners and renters alike. It is the programmatic shortcomings, outlined herein, not discrimination towards program recipients, that has resulted in a significant reluctance by small property owners to participate in the program.

We strongly urge the Housing Committee to take a different approach in furtherance of its objective to expand owner participation in housing voucher programs, one that supports improving program administration and incentivizing participation. We ask that the Housing Committee thoughtfully engage with the Housing Authority to institute programmatic reforms to streamline the application and inspection process and minimize unnecessary and harmful delays.



AAGLA is opposed to any ordinance that mandates participation in the now voluntary Section 8 program and strongly opposes the Housing Committee's desire to subject property owners to civil penalties and potential other legal exposure for any owner's unwillingness to accept Section 8 vouchers.

Small, "mom and pop" rental property owners should not be forced to take part in a badly broken system that could cause them to jeopardize their livelihood, and ultimately leave them with no other option but to exit the rental housing business. The consequences of more and more over regulation negatively impacts the quantity and quality of rental housing in the City, and the departure of the small, "mom and pop" owners would eliminate the limited affordable rental units currently available to the City's renters. The solution lies in improving administration of the Section 8 voucher program and providing supportive wraparound services, and by doing so, the City's rental property owners would receive the encouragement needed to participate in the program.

If you have any questions, please call me at (213) 384-4131; Ext. 309 or contact me via electronic mail at danielle@aagla.org.

Very truly yours,

Danielle Leidner-Peretz