



Danielle Leidner-Peretz  
Director, Government Affairs &  
External Relations  
danielle@aagla.org  
213.384.4131; Ext. 309

June 6, 2019

**Via Electronic Mail**

Los Angeles County Board of Supervisors  
Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

**Re: Source of Income (Agenda Item 43)**

Dear Board of Supervisors:

The Apartment Association of Greater Los Angeles' (AAGLA) strongly opposes the proposed "Source of Income" ordinance (Agenda item 43), which would require all rental housing providers in the County to participate in housing voucher programs and, in particular, the dysfunctional Section 8 voucher program as administered by the Los Angeles County Development Authority (LACDA). We recognize and appreciate the dialogue that has been initiated between rental housing providers and LACDA, and the County's desire to improve the administration of the Section 8 program, provide financial incentives, foster transparency and provide much needed customer service. However, the County's administration of the Section 8 program is desperately lacking these qualities and we; therefore, urge Board Supervisors to continue along a path in furtherance of a Section 8 program that facilitates and provides incentives for rental housing provider program participation and not mandating participation in a broken program in need of extensive improvements. In other words, AAGLA urges the Board to consider use of the proverbial "carrot" rather than forcing housing provider participation with the "stick."

Homelessness prevention is a critical societal objective and one which necessitates a comprehensive approach in recognition of the range of factors attributable to its causes, including but not limited to, availability of mental health and substance abuse programs, and availability of affordable housing. If the County's goal is to increase housing choice options, that goal is not likely to be achieved through this initiative. On the contrary, this mandate will serve to further deplete the already limited affordable rental housing stock, as small rental housing providers would surely be forced out of the multifamily rental housing business or convert their properties to other, non-rental uses rather than take on the administrative hassles of the County's Section 8 housing program.

AAGLA represents thousands of smaller, “mom and pop” rental property owners within the County of Los Angeles. Many of our members are retired seniors that worked regular “9-5” jobs throughout their careers while at the same time scrimping and saving to afford a 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 County 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 contributes to addressing a greater societal need to reduce homelessness. Glendale is one example of a city where the Section 8 voucher program is properly administered, and as a result, property owners willingly participate. However, in Los Angeles County, the Section 8 voucher program is not adequately administered and suffers from great inefficiencies. Property owners within the unincorporated areas of Los Angeles County have become disenfranchised and complain bitterly about the difficulties they regularly encounter today or have in the past.

Moreover, the reality is that there are many challenges inherent in the Section 8 program. These challenges have also deterred wider participation, especially for smaller rental property owners that do not have the resources or expertise to comply with overwhelming regulation and “red tape.” 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, inspections often result in further delays, and payments may be delayed due to federal budget appropriation issues or due to the LACDA’s inspection process.

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. While LACDA indicated that owners can now email pictures as evidence that the issue has been corrected, thereby eliminating the need for a re-inspection, this procedural change does not appear to be broadly implemented. Sadly, during the time that the inspection process causes protracted delays resulting in unpaid property owners, at the same time a homeless veteran, single mom or a 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 County 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 County continue to thoughtfully engage with LACDA to institute programmatic reforms geared 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 County's desire to subject property owners to civil and criminal penalties and potentially 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 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 unincorporated areas of the County, and the departure of the small, "mom and pop" owners would eliminate the limited affordable rental units currently available to County renters. The solution lies in improving administration of the Section 8 voucher program and providing adequate incentives for participation, and by doing so, the County's rental property owners would have 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](mailto:danielle@aagla.org).

Very truly yours,

Danielle Leidner-Peretz