



May 3, 2018

Councilmember Paul Krekorian, Chair  
Budget & Finance Committee – Los Angeles City Council  
200 N. Spring Street  
Los Angeles, CA 90012

Dear Councilmember Krekorian:

We are honored to be presenting today to the City Council's Budget & Finance Committee as part of the Fix LA Coalition, a partnership between the Coalition of City Unions and faith, environmental and community organizations that are working together to ensure that Los Angeles works for all of us.

Today I will be presenting to you about an urgent topic that is facing immigrant families living in public housing in Los Angeles, so called “mixed families.” I am providing this letter to provide more details on this complicated but important policy issue.

As the City contemplates investing \$438 million to addressing homelessness, we must make some funding available for the over 2,000 “mixed families” who are facing housing instability.

We are asking you to do two things for “mixed families” living in LA's public housing:

- Hold hearings and have the housing authority tell us exactly how many families are considered “mixed families,” and how much above 30% of their income they are paying in rent
- Dedicate local funds to make public housing affordable for all of us

**Background on the affordability crisis for public housing “mixed families”**

In the 1990s, HUD implemented new “pro-ration” rules, where each individual tenant was entitled to an equal portion of the rental subsidy the household receives. The rental subsidy is the difference between the “flat rent” (the maximum amount the Housing Authority would ever charge for that apartment) and the income-based rent, which is based on 30% of the household income. The difference between those figures is “the subsidy.”

Under the pro-ration model, each household member receives their own portion of the subsidy. If two people live in the household, the subsidy is divided into two parts. If five people live there, it is divided into five parts, and so on... When any member of the household does not qualify for subsidy (usually because of immigration status), the family is considered “mixed status,” and portion of the subsidy for the unqualified individual(s) is withheld. The household must pay that in addition to their income-based rent. It does not matter if the person who does qualify is the primary breadwinner, or a retired senior citizen with no income whatsoever. The rental subsidy is always divided equally and then “pro-rated.”

Ever since this model went into effect, “mixed status” families in public housing have technically been rent-burdened, paying more than 30% of their household income for the rent. In Los Angeles, flat rents had traditionally been “maintenance-based” (based on the amount the housing authority actually would need to charge to maintain the units), and flat rents were reasonably low, keeping the rent burden on “mixed status” families manageable, if not ideal.

However, this situation was exacerbated enormously when Congress passed a new law directing all public housing



authorities to raise flat rents to *no less than* 85% of fair market rents. In Los Angeles, implementation of this law has begun, and we are now in the middle of three years of flat rent increases of 35% per year. These increases will continue as long as market rates for rental housing in Los Angeles remain high, and will increase every year as the market increases.

We have already seen some people being displaced from public housing because they can't afford the new rents, which can be 50%, 75%, and in some cases even 100% or more of their income.

The Housing Authority of the City of Los Angeles (HACLA) has told us that 25%-30% of all families in public housing in LA are "mixed status," and in San Fernando Gardens the proportion may be as high as 35%. That means over 150 families in our community, and nearly 2,000 across the city, are rent-burdened or severely rent-burdened, even though they live in public housing.

We have already seen the severe impacts this is having. One woman is facing the threat of displacement and homelessness because she cannot afford the rent after she kicked out her abusive husband, who was both the primary income-earner, and also qualified for subsidy (she is not). Her household's rent is going up even though her household's income has gone down. We do not want abused women to have to choose between staying in an abusive situation, or losing their housing for themselves and their children.

Another family has had to take their 21-year-old daughter, who is not qualified for subsidy, off of their lease. She now lives in the streets. This situation breaks the family's hearts, but their only other option was to all end up the streets because they could not afford the pro-rated rent.

We understand that it will be difficult to solve this problem, either through an Act of Congress or action by the HUD Secretary, until the situation in Washington, DC changes. However, we have not given up hope and we will continue to fight for every family's housing stability.

Working with Public Counsel and Brandon Weiss, Professor of Law at the University of Missouri, Kansas City, as well as our national network of community organizations, People's Action, we have developed a proposal for the city to intervene with a separate subsidy stream that could provide housing stability to "mixed status" families without violating HUD rules.

Our biggest challenge now, though, is that we do not have precise data from HACLA that we need to turn our idea into a solution.

**Therefore, to help "mixed status" families, we are asking you for two things:**

1. **Commit to working with us to find long-term solutions to ensure federally-subsidized housing is affordable to all Los Angeles families who need it.**
2. **Request data from HACLA about the current situation in LA's public housing, asking them to share with you**
  - a) **precisely how many families are "mixed status," both the number and as a percentage,**
  - b) **and what the total amount of subsidy is that these families do not receive because of the *pro-ration* system (in other words, how much are all of the "mixed status" families paying above the 30% of income standard?).**

With this data, we will be able to understand the total amount of subsidy we would need to create equity for all families in Los Angeles' public housing, regardless of immigration status or any other factor.

Thank you again for taking the time to listen to us today.

Sincerely,  
Daisy Vega, Treasurer & Mar Vista Gardens Member