



**TESTIMONY OF
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**BEFORE THE
U.S. HOUSE OF REPRESENTATIVES
SUBCOMMITTEE ON HOUSING AND COMMUNITY
OPPORTUNITY**

OF THE COMMITTEE ON FINANCIAL SERVICES

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**HOPE VI Testimony, House Sub-Committee on Housing and Community Opportunity,
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Madam Chairperson Waters, Ranking Member, members of the committee thank you for the invitation to speak before the House Sub-Committee on Housing and Community Opportunity on the reauthorization of full funding to the HOPE VI program.

What I would like to do today is first sketch our broad vision to address the affordable housing crisis in Los Angeles. I shall then go on to discuss our vision for public housing redevelopment citywide. My testimony will show how a strong HOPE VI program is vital to the future of affordable housing not only in Los Angeles but nationwide. I truly believe this program makes good on its acronym: Housing Opportunities for People Everywhere.

Let me begin with some general remarks on our role in addressing the affordable housing crisis in Los Angeles. The city is facing some of the most challenging housing issues in the nation. These include:

- Skyrocketing rental costs, a majority of Angelenos pay more than 40% of their income for rent.
- Increasing population in a city with fewer affordable units citywide. Last year Los Angeles saw a net decrease largely because of conversion of apartments to condos.
- Lengthy commutes, workers in Los Angeles endure some of the longest commutes in the country, and finally
- Occupancy rates of 97.5% in every sub-market according to the recent USC Casden Multi-family Forecast.

Yes, Los Angeles is full from Brentwood to Boyle Heights and from Westwood to Watts.

Against this backdrop the HACLA, has 8,000 public housing units, primarily in 16 large family developments. These developments have a combined deferred capital need of almost \$500 million. But this only speaks to the easy part of the problem, fixing the real estate or buildings.

The much tougher part of the problem is transforming the lives of the 8,000 families living in these units. This is where HOPE VI represents vital self-sufficiency gap funding for families fighting their way out of poverty against incredible obstacles. Let the numbers tell the story:

- Residents of public housing in LA make only 18% of the AMI for the city as a whole.
- Some public housing communities have an 85% unemployment rate. .
- Graduation rates from high school are less than 50%, and their children are subjected to some of the highest crime rates in the city.

They also lack adequate health, child, and eldercare.

But there is HOPE! We believe we have a window of opportunity to begin redevelopment of public housing citywide in LA. Mayor Antonio Villaraigosa is an ardent proponent of transforming public housing. The council men and women with large public housing developments in their districts support redevelopment and our congressional representatives will support redevelopment if it is done "right."

What does “right” mean? In LA it means:

- Redevelopment with a mixed income and mixed use approach.
- 1:1 replacement of public housing units (or their income strata equivalent tax credit units).
- Transit oriented where possible.
- Residents in general will not suffer forced permanent relocation and will have the right to return
▪ after redevelopment.
- Significant investment in jobs, educational (including on-site schools where possible).
- Family self-sufficiency, and homeownership opportunities for residents.
- And finally, it means starting redevelopment in Watts and East Los Angeles.

Through the leadership of our Board of Commissioners and Chairperson Bea Stotzer, they are setting the bar high. Together we have a goal of tripling the number of units in HACLA’s portfolio of affordable housing by utilizing a blend of 1/3 public housing, 1/3 workforce housing and 1/3 market rate (the lowest priced sub-markets in the city) units to create mixed income communities. Moreover, we seek to include a substantial retail and job creation component wherever it makes sense (e.g., the I-105 corridor, Alameda frontage, San Pedro waterfront, eastside I-10 corridor).

Which brings us to Jordan Downs, in Chairperson Water’s district. Here HACLA is pursuing the acquisition of a parcel of vacant land adjacent to Jordan Downs to begin redevelopment by building new units, moving families in the new units and then demolishing the units vacated by the families. We are also in communication with the Los Angeles Unified School district to explore the opportunities for redevelopment of Jordan H.S.

To restore full funding is to transform lives by transforming communities. It is to transform public Housing in Los Angeles from the housing of last resort to the housing of choice!

Madam Chairperson, Ranking Member and members of the committee, I want to again thank you for the opportunity to provide testimony on this most important of issues.