



SUPPLEMENTAL

COUNCIL AGENDA: 09/19/06
ITEM: 3.2 (c)(2)(a)

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Leslye Krutko

SUBJECT: SEE BELOW

DATE: September 13, 2006

Approved

Date

9/15/06

COUNCIL DISTRICT: Citywide

SUBJECT: HR 5543, HR 5576, and S 3508 LEGISLATION RELATED TO MOVING TO WORK AND REFORM OF THE SECTION 8 PROGRAM SUPPLEMENTAL REPORT

REASON FOR SUPPLEMENTAL REPORT

At the September 6, 2006 Rules Committee meeting, Vice Mayor Chavez requested additional information related to the provisions in HR 5443 that staff opposes, and the subsequent amendments and reasons why this bill does not work in San José.

RECOMMENDATION

It is recommended that the Mayor and City Council:

1. Oppose HR 5443, the "Section 8 Voucher Reform Act of 2006," unless it is amended to remove new restrictions on the Moving to Work program;
2. Support the Moving to Work provisions of HR 5576, the FY 2007 Treasury, Transportation and Housing and Urban Development Appropriations bill; and
3. Support S 3508, the "Moving to Work Charter Program Act of 2006."

ANALYSIS

Staff recommends opposing one provision contained in HR 5443, related to the Moving to Work (MTW) program, because it would hinder San José's ability to gain a Moving to Work designation and seriously weaken the flexibility of the MTW program. The Moving to Work (MTW) demonstration program gives participating public housing agencies (PHAs) the flexibility to design and test various approaches for providing and administering housing assistance that achieve greater cost-effectiveness and incentives for participants to develop economic self-sufficiency, as well as providing more housing choices for low-income families.

While there are many positive aspects in HR 5443 representing good public policy and reforms to the current administration of the Housing Choice Voucher Program, the bill's MTW provisions actually decrease flexibility, increase bureaucratic reporting requirements and weaken a public housing authority's (PHA) ability to better serve low-income families.

The Housing Authorities of the County of Santa Clara and San José have been working in tandem over the last several years on efforts to gain a Moving to Work (MTW) designation for both agencies. Progress has recently been achieved to place San José and Santa Clara County in line for MTW designations, when new slots are freed up. However, because this bill makes a number of changes to the current program, we are concerned that should all our hard efforts come to fruition, the provisions in HR 5443 would make it more difficult to administer a successful program. Additionally, while the bill opens up more designations from 32 to 40, San José and Santa Clara County Housing Authorities remain concerned that this will not be enough slots to accommodate both agencies.

Therefore, staff is recommending that the bill be amended to either remove or substantially amend the language related to Moving to Work. The City would seek continued administrative flexibility and more permanency in the program by removing language that "re-regulates" and constrains MTW sites, limiting their chances for success. Also, HR 5443 should maintain the focus of these vouchers for those currently served and most in need of assistance, those very-low and extremely-low income residents. Also, staff recommends that the provisions of HR 5443 would be better if they mirrored S. 3508 (which staff is recommending support). This would increase the overall number of participating public housing authorities from 32 to 250, thereby increasing San José and Santa Clara County's chances for acceptance into the program.

COORDINATION

Preparation of this report has been coordinated with the City Attorney's Office and Director of Intergovernmental Relations.


LESLEYE KRUTKO
Director of Housing