

Oakland Tribune

Alameda slashes housing aid to 240

Authority faces \$250,000 monthly shortfall after U.S. department changes formula for providing funds

By Susan McDonough
STAFF WRITER

Tuesday, June 08, 2004 - ALAMEDA -- The Alameda Housing Authority has told 240 families they'll be dropped from a subsidized housing program at the end of the month.

The notification Saturday came just two weeks after the same families and hundreds more sweated out news that there might not be enough money in the program to pay the rent in June. The crisis was temporarily averted when the city scrambled to fill the gap with reserve funds.

At the time, Alameda Housing Authority Executive Director Michael Pucci assured residents enrolled in Section 8, a federal program providing rent subsidies, that funding to the program would be replenished July 1, although he warned there could be reductions.

"It didn't happen," Pucci said Monday. "Things are changing every day."

At the heart of the debate is a change in the way the U.S. Department of Housing and Urban Development funds regional housing authorities.

HUD, which subsidizes the rents of more than 700,000 people in California, changed its funding formula last month, retroactive to January.

The formula change will leave Alameda more than \$3 million short this year, as it did last year. (HUD's fiscal year runs July 1 through June 30.)

Faced with a monthly shortfall of about \$250,000, the Alameda Housing Authority said it will terminate 240 Section 8 contracts -- the last tenants to make the competitive voucher list are the first to go -- while working with landlords to reduce rents.

About 600 landlords here rent to people paying a portion, and in some cases all their rent, with vouchers. Many landlords have said the cuts hurt them as well, because they rely on the Section 8 funds for their own income.

News that 240 people would lose their rent subsidies surprised city leaders who thought the housing crisis ended when Alameda tapped into money reserved for building repairs to fill the budget gap.

"The scope of the problem far exceeds my earlier expectations," said Alameda Vice Mayor Tony Daysog. "It's a sad day for Alameda."

This excerpt is provided by the Rental Housing Association of Northern Alameda County. www.rhanac.org 510-893-9873

Daysog said he thought the housing authority would reduce its costs going forward by gradually shedding Section 8 tenants through attrition, such as not reissuing vouchers when people leave the program. Alameda issued vouchers to 34 more families than the 1,625 vouchers it is authorized by HUD to provide, a practice that until recently was encouraged as a way to help as many families as possible.

Without federal backup, the additional families on the list create added debt for the local housing authority that, Pucci said, also has been hurt recently by skyrocketing rents and a bad economy that has left many Section 8 tenants with further reduced incomes.

Word of the cuts has left many tenants bewildered.

"This is crazy, " said Cassandra Ford, who teaches pre-kindergarten in Oakland, and relies on Section 8 to subsidize her rent.

She pays \$546 a month for a two-bedroom she shares with her 15-year-old son, while HUD picks up the rest of the \$1,375 monthly tab.

"I love where I am living. I am about to be struggling all over again," said Ford, 42.

With a monthly income of about \$1,700, she can't afford the rent on her own, she said.

Her neighbor, Monica Knox, also will be dropped from the program. She broke into tears when recalling the days before being accepted into the voucher program, which can keep potential recipients on waiting lists for years.

"I was bouncing all around with my son," said Knox, a well-spoken 28-year-old woman who works in a San Francisco law office.

"Now we have a stable home. I'm stable. ... It's just so hard to get to this point in my life, and now for them to take it away from me," she said.

Cities across the country and the state are experiencing similar funding shortages.

Pucci said the current administration has already effectively converted the program into a block grant that caps the dollar amount local housing authorities receive, rather than providing the funds needed to take care of the people on their voucher lists.

The change could also cause many people receiving Section 8 to pay higher rents, Pucci said.

Contact Susan McDonough at smcdonough@angnewspapers.com