

**TESTIMONY BY
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CHAIR, LOS ANGELES COUNTY BOARD OF SUPERVISORS**

**FIELD HEARING OF
THE HOUSE COMMITTEE ON FINANCIAL SERVICES,
SUBCOMMITTEE ON HOUSING AND COMMUNITY OPPORTUNITY**

**LOS ANGELES, CA
MONDAY, JUNE 30, 2003**

Good morning, Chairman Ney and Member Waters.

It is my pleasure to welcome the Subcommittee to Los Angeles County and Exposition Park, which is located in my Supervisorial District.

Federal programs have played a key role in helping to improve the quality of life for low- and moderate-income people and areas. Two of these programs include the Community Development Block Grant (CDBG) and Section 8 Housing Choice Voucher programs, which Congress oversees and which are the focus of this week's hearing. It is vital that Congress maintain the current structure and administration of these programs, which are especially vital in this difficult economic time. They are safety nets that are literally keeping many families and depressed communities alive.

I would like to address the Subcommittee regarding the CDBG program and give a status report on the Los Angeles Community Development Bank.

CDBG PROGRAM

I would like to acknowledge Congress' past support – and in particular your support, Congresswoman Waters -- for Los Angeles County's CDBG program, which is the largest Urban County program in the nation. In Los Angeles County, the vast majority of our CDBG funds are used productively for housing and community and economic development projects. Our CDBG funds are commonly leveraged with funding from other sources to collectively develop affordable housing, revitalize neighborhoods, and support businesses.

In addition to brick-and-mortar projects, CDBG funds are allocated for important "public service" activities. Thousands of Los Angeles County residents have benefited from public service activities such as meals for seniors, after school programs for youth, drug intervention, homeless assistance, and domestic violence counseling.

The impact on the local community has been positive in large part because Congress has structured the CDBG program so that local jurisdictions have direct oversight responsibility to make program and funding decisions that address local

needs. This flexibility enables the Board of Supervisors to implement programs swiftly and without hesitation.

We also appreciate that Congress has provided Los Angeles County with the approval through a waiver to increase its allocation of public service authority from 15 to 25%. The waiver is scheduled to expire one-year from now on July 1, 2004. The Board has sought continued Congressional approval of our waiver request to utilize 25% of our CDBG funds for public service activities. This is especially critical given the needs of residents within our diverse County and in light of diminishing resources. Thank you for historically supporting the waiver, and we ask that you support its continuance.

LOS ANGELES COMMUNITY DEVELOPMENT BANK

I would like to provide you with a brief report on the status of the Los Angeles Community Development Bank.

The bank is dissolving and will officially close by the end of the calendar year. Our Board has been working with the City of Los Angeles to implement a transition plan for the closure of the bank. We are working with the bank to complete the transfer of the County loan portfolio to the County Community Development Commission prior to the expiration of the program. The assets that are transferred back to the County will be utilized for critical projects. One such project is the development of a major regional medical facility, the Los Angeles Eye Institute. Located in the unincorporated area of Willowbrook, this facility will provide critical eye care to the medically underserved residents of Watts and the Willowbrook communities.

SECTION 8 PROGRAM

I understand the committee will be hearing testimony tomorrow regarding the Section 8 program. Inasmuch as I will be unable to attend, I would like to take just a few minutes to express the concerns of our Board about the Administration's proposal to transfer the Section 8 program to the states. Our executive director of the County Housing Authority will provide further testimony on this tomorrow.

One of the main reasons for the success of the Section 8 program is that it is largely managed at the local level. Therefore, the Board is opposed to the proposal to shift the program to the states. We should not alter the administration of this long-standing federal program that assists over 20,000 low-income individuals. Moving the program to the states would add an unnecessary and uncertain layer of bureaucracy.

CONCLUSION

I know these are trying times. We just went through the County's budget process, and our new fiscal year starts tomorrow, July 1st. CDBG funding will be \$38 million, 5% less than the year ending's. Yet I see and hear first-hand the pain from

many of my lower-income constituents. Indeed, in times like these, the need for CDBG and Section 8 programs is even greater.

The administration and delivery of these programs are vital, and your field hearing in Los Angeles is timely and important. Thank you for giving these issues their proper attention. I am sure that through the course of these hearings, you will see how essential these programs are to the people of Los Angeles County. I join all members of the Board of Supervisors looking forward to continue working with members of the Subcommittee and the rest of Congress in ensuring that the CDBG and Section 8 programs serve low- and moderate-income communities in the most optimum, fair, and humane way.