

NEWS FOR OWNERS AND MANAGERS IN THE RENTAL ASSISTANCE PROGRAM

Owners and Managers in the Spotlight

Profiles of owners and rental property managers participating in Section 8—and their thoughts on the recent program changes

Martha Esparza

Voucher Size Causes Tenants' Rents to Go Up

Martha Esparza says she's always "loved Section 8"—both from a business perspective and because "it's such a good program for families"—so much that she purchased and fixed up a house in Barrio Logan specifically to rent to a family with a voucher. She hopes her future tenants will enjoy the extra attention she put into the extensive "rehab" work, including wood blinds, slate tile, new kitchen cabinets and appliances.

She believes she'll be able to get the rent level she needs for that property under the Housing Commission's revised payment standard. But in the case of two of her other units, she's not sure what to do. Both tenants are single moms getting smaller voucher sizes. One is going from a four-bedroom voucher to a three; the other—Nova Davidow, pictured on page three—from a three to a two. Both of their rent shares may go up as much as \$300. "They're great families. I want to find a way to help them stay so they don't have to move," said Esparza.

Esparza owns—with her husband, Francisco Ramos—three single family houses and manages four others for rela-

tives. All the rentals are leased to Section 8 tenants. Additionally, Martha and Francisco both work full time (she as a produce supplier, he as a pipe fitter).

Janene Martin

Senior/Disabled Residents Not Affected

At the 26-unit Nestor Regency senior/disabled complex managed by Janene Martin, all but one apartment is a one-bedroom unit. Nine of her residents

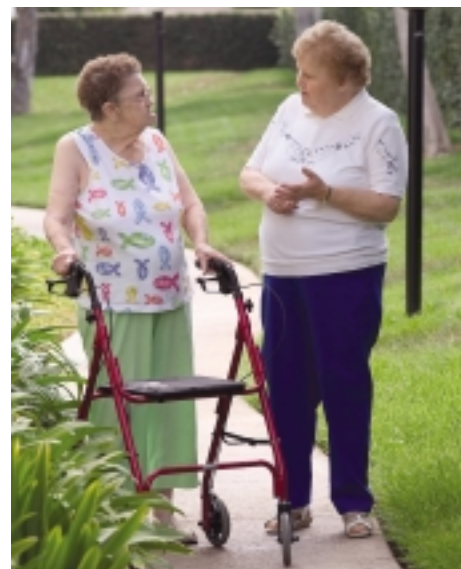
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Rental owner Martha Esparza in the kitchen of the house she is renovating for Section 8 renters.

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Tenant Gertrude White (left) with her landlady Janene Martin.

Owners and Managers in the Spotlight

Janene Martin

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receive rental assistance; none was impacted by the voucher changes, and their rents were well within the new payment standard.

Martin, widowed in 1999, reports she's been managing motels and apartments since she was a teen, the last five of which have been at the Nestor Regency (and, in previous years, in partnership with her late husband). She says she enjoys working with the Section 8 program because it helps people in need. For example, she took pleasure in helping, with Housing Commission staff, an elderly lady who suffered from panic attacks and needed to move to the Nestor Regency to live closer to family.



Voucher holder Darryl Wallace doesn't have to travel far to get a haircut from rental owner Elijah Gentry (right) and son; Wallace's apartment is above the barber shop.

Elijah and Doris Gentry

Tenants' Rents Low Enough to "Stay Under Radar"

Elijah and Doris Gentry feel thankful that they were able to comfortably retire following 40 years of running a barber shop and managing rental properties. The Gentry's adult sons now run the Gentry Family Barber Shop—a popular, friendly neighborhood gathering place—and pay rent to their parents. Gentry proudly points out that the couples' two other grown children also studied to become barbers. The couple also collects rents from their 17 rental units (five Section 8).

The Gentrys were recently interviewed by KUSI-TV's Rod Luck for a story about the importance of rental assistance programs.

Gentry notes that, with his Section 8 units, the rents were low enough to not be affected by the program changes. In one case, he has a three-bedroom unit where the family's voucher was reduced to a two.

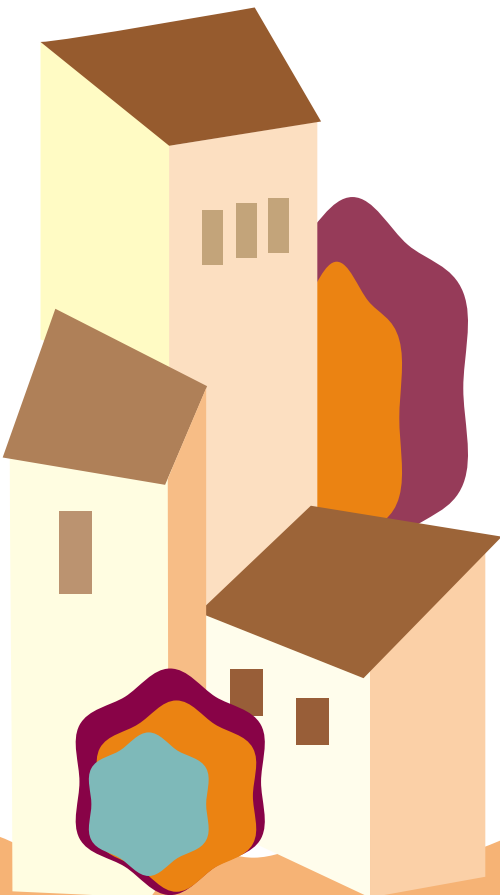
But since the rent rate there was consistent with the two-bedroom payment standard, the tenants' rent portion will not increase. Above the barber shop is a two-bedroom apartment the Gentrys rent to a disabled man who lives on a fixed income. He had a one-bedroom voucher, but the rent was within his voucher size payment standard range.

Al Assad

Concerned to See Tenants Move Out

After 30 years of working with rental assistance programs, Al Assad has experienced the "ups and downs" of Section 8. He remembers, for example, when the program was laded by complex procedures. He also recalls when the Housing Commission redesigned the program to make it more business friendly. "That was a period of real entrepreneurship that was really impressive, with high receptivity to land-

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Thank You for Your Support

Weathering the Storm: HUD Budget Cuts and Program Changes

The rental assistance budget crisis has been rough on all of us: owners/managers, tenants and program staff. Thank you for bearing with us and working to adjust to these difficult changes. Also, many of you have been instrumental in helping us determine the best course of action. We thank you for that, as well.

HUD’s dramatic, retroactive changes to the Section 8 budget forced us to take painful steps. Unlike other housing authorities, we didn’t cut assistance to anyone or cancel rent contracts. But we did have to find ways to contain costs—namely, implementing new payment standard and “voucher size” (number of bedrooms per family) formulas. These strategies will help keep the program financially viable—as will the fact that HUD just announced that it will reinstate some of our funding, which will help us meet our current rent agreements.



Nova Davidow and her children are hopeful that things will work out—despite the fact that their voucher size is going down from three to two, resulting in a nearly \$300 rent increase.

Key Program Changes

The new payment standard (maximum allowed for rent plus utilities; see chart below) is actually the one we used last year—and the one on which most leases were still based this spring. Nonetheless, hundreds of owners were affected by these new maximums.

The change in the voucher sizes (see chart on right)—issued to families at the time they must recertify (prove

continued eligibility)—in the program will do the most to help keep the Housing Commission “out of the red.” Sadly, though, it will have a decidedly negative impact on voucher holders—as in the case of the family shown in the above photo.

Another cost-saving effort was to ask owners to try to keep annual rent increases to a minimum. We appreciate that the majority of you have been supportive in this regard.

Changes to Voucher Sizes

Number of Bedrooms	Number of Persons Subsidized
Zero or one	One or two
Two	Three or four
Three	Five or six
Four	Seven or eight

Payment Standards Went Back to Fiscal Year 2004 Levels:

Voucher Size/Unit Size	One	Two	Three	Four	Five	Six
Payment Standard	\$962	\$1204	\$1676	\$1975	\$2271	\$2567

Al Assad

Continued from front.

lord feedback that wasn't just lip service," said Assad, adding that he hopes that the agency will continue that partnership spirit.

Assad is president and principal of Hanken Cono Assad & Company, which manages over 3,500 rental units in the City and County of San Diego—about 15 percent of which are leased with vouchers. He predicts that as many of a third of those units will become ineligible for Section 8 because of the recent developments.

His feelings about the program changes are mixed. On the one hand, he understands the need to reduce voucher sizes and cap payment standards, because, "Philosophically, I think it's better to serve a broader number of people with less subsidy than to cut people from the program. If some families have to step down from a class B apartment to a C, that's better than the alternative of other families existing without a housing safety net," he said. But on the other hand, he noted that such a shift could result in a geographic concentration of lower-income populations—something that HUD has always sought to avoid. "The best thing would have been to not have any impact at all," he said. He is seeing an impact—and it concerns him.

He also commented on the complaints some owners and management companies have had about the administrative burden created by program changes that sometimes require wholesale changeovers from existing to new leases.

"The administrative burden is a temporary issue. And occupancy's not a problem because there's enough of a demand in the market. It's the impact on families that we're worried about," he said.

Q&A About Program Changes

We'd like to answer the top four most frequently asked questions about program changes that seem to be causing confusion:

Q: How can you force a mother and child to share a room? (Or a boy and a girl...or grandmother and grandchild...?)

A: How a family chooses to house its members is up to them. We only limit how much we will pay, which is based on a two-persons-per bedroom formula. If they can afford it, the family may opt to rent a larger unit.

Q: When are these changes going to take place? Aren't you going to notify the tenants?

A: In June, letters went out to all participants explaining the changes in voucher sizes and payment standards—and that these changes would take place at the time of the tenants' recertification (or if they moved or had a change in household size). They were also given the option to call a special hotline number to discuss their individual cases.

Q: What if my tenants can't afford the new rent?

A: We mail revised rent portion letters to both the participant and the owner approximately 45 days prior to the renewal date. At this time, if the family decides it cannot afford the new rent portion—or if you do wish to reduce the rent to accommodate the tenant—please send us a letter to that effect. Otherwise, the family should give you a 30-day notice to vacate.

Q: If my tenant gives a 30-day notice to vacate on October 19, do I get to keep the entire month of the Housing Assistance Payment?

A: No. The payment for October will be for 19 days. If the tenant stays for additional days we'll need written verification of that. This is where the receipt for the rental unit keys comes in handy. This form requires signatures of both tenant and owner, and it should be dated and contain the date the tenant returned the unit to the owner.



VIEWpoint is published by the Rental Assistance Department as a way to keep rental owners/managers updated on issues and policies regarding housing assistance programs. If you have any ideas for future stories, or if you have any suggestions about our programs, please contact Owner Liaison Lynda Brophy at 619.578.7680 or lyndat@sdhc.org.



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