



# NEWS

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## **IMPACT OF SEQUESTRATION SLAMS HOUSING AUTHORITIES NATIONWIDE**

### **Housing Authority of the County of Santa Clara Confirms \$21 Million Cut in Section 8 Funding Will Bring Hardship to County's Poorest Families**

San Jose, California – With \$85 billion in across-the-board federal sequester cuts now in place, The Housing Authority of the County of Santa Clara (HACSC) confirms today the negative impact this will have on the agency's programs that serve more than 17,000 extremely low-income veterans, seniors, the disabled, families with children and formerly homeless in Santa Clara County. Housing authorities, charities and communities nationwide have worked together tirelessly to provide housing and support services to this very vulnerable population.

The U.S. Department of Housing and Urban Development (HUD) has cut \$21 million from HACSC's Section 8 program funding for 2013. This means that up to 1,500 families with children experiencing poverty, the elderly, adults with disabilities and veterans in Santa Clara County may lose their homes this year. It also makes it much more difficult for HACSC and its community partners to fund solutions to end homelessness in Santa Clara County. The Section 8 program is 100 percent federally funded, so any funding shortfall has a direct and immediate impact on the fragile population it serves.

"I live off of \$1,100 a month in social security and my tiny IRA. That's it," says Verna Hayden, 81, a Section 8 voucher holder and 17-year resident at HACSC-owned Sunset Garden Apartments affordable housing in Gilroy. "Living here would be really rough without the housing authority's help; it would take all the money I have to pay rent and I would not have enough money to buy food." Any increase to Hayden's housing cost could mean she'd have to go without food or medical care. "When I was in the hospital for four months, it was a relief to know I could go home when I got out because I had paid the rent."

Hayden, a resident commissioner on HACSC's board, represents 57 percent of HACSC's assisted households or 9,959 elderly, disabled or elderly and disabled people. This group's average gross annual income is \$14,900. The average annual income of all the families HACSC serves is \$16,000, only 14 percent of the median income in Santa Clara County.

**(more)**

With the disparity between the cost of living in Santa Clara County and such extremely low income, any cuts will likely move these households from just “scraping by” to leaving their friends, family and caretakers and moving to a lower cost area or, even worse, joining the growing ranks of the homeless.

**Service Reductions Being Considered**

The federal Section 8 housing assistance program has had five consecutive years of inadequate and declining program funding, a downward trend that HACSC officials predict will continue unless the U.S. Congress does something to stop it.

The housing authority and its board of commissioners are studying cost-saving measures to help reduce the impact that the \$21 million cut will have on this and future years’ programs and services. Reductions on the table include options that will result in tenants paying more towards their rent and landlords receiving less rent. The last-resort option, dropping families from the Section 8 program, would leave many adults and children with nowhere to live.

“HACSC and our many community partners have done such great work keeping families housed, including chronically homeless people, many of whom who are disabled and are veterans,” says Kathy Espinoza-Howard, HACSC commissioner and chairwoman. “The termination of housing is now a reality that Congress can and must fix.”

The agency expects service reductions to be determined at its April 23 board of commissioners meeting.

**About HACSC**

HACSC is the largest provider of affordable housing assistance in Santa Clara County, helping make rental housing safe and affordable for low-income families through Section 8 voucher programs and below-market rental properties. The vast majority of client households are extremely low-income families with children, seniors, veterans, the disabled, and the formerly homeless. HACSC’s mission is keeping families housed and enabling low-income people in Santa Clara County to achieve financial stability and self-reliance.

The “housing choice voucher” is a federally-funded rental subsidy for low-income families or individuals living in privately-owned rental units. The voucher holder pays about 30 percent of their income towards rent, and the housing authority pays the balance of the rent directly to the landlord on behalf of the family.

For further information about this release, please contact Alex Sanchez, HACSC executive director, at 408-993-2902 or Katherine Harasz, HACSC deputy executive director and general counsel, at 408-993-2942. For further information about HACSC, visit [www.hacsc.org](http://www.hacsc.org). The Housing Authority of the County of Santa Clara is located at 505 West Julian Street, San Jose, California, 95110.

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