

**Opening Statement of the Honorable Bob Ney
Chairman
Subcommittee on Housing and Community Opportunity
Committee on Financial Services**

**“The Section 8 Housing Assistance Program: Promoting Decent
Affordable Housing for Families and Individuals who Rent – LA Field
Hearing”**

Tuesday, July 1, 2003

Today, the Subcommittee continues its efforts to examine the current operation and administration of the Section 8 Housing Choice Voucher program and review various proposals intended to make the program more efficient and cost effective.

This is the fourth hearing in a series and the first field hearing on the Section 8 program. Michael Liu, Assistant Secretary of Public and Indian Housing at the Department of Housing and Urban Development, testified at the first hearing on May 22, 2003. On June 10, the Subcommittee heard testimony from representatives from tenant organizations, landlord and development organizations, large and small public housing agencies and the state housing finance agencies. On June 17, the Subcommittee heard from witnesses from the academic community and advocacy groups.

Since the 1970s, rental vouchers have been a mainstay of federal housing policy. Currently, the Section 8 housing voucher program supplements rents payments for approximately 1.5 million individuals and families.

While the concept of the program remains sound, the program has often been criticized for its inefficiency. More than a billion dollars are recaptured from the program every year, despite long waiting lists for vouchers in many communities. The rising cost of the Section 8 program and some of the administrative concerns have caused many in Congress and the Administration to conclude that the program is in need of reform.

Among the reforms that have been discussed is an Administration proposal to replace Section 8 tenant-based housing vouchers with state-managed block grants. Rather than contracting with an estimated 2,600 separate public housing authorities, as HUD does currently, the Department would allocate funds to the 50 states, which could then work with public housing agencies or other entities to administer the voucher program.

As well as examining the merits of this proposal, the Subcommittee continues to discuss other avenues for reform.

This afternoon, our two panels consist of government and non-government experts from the Los Angeles metropolitan area on the federal government's primary program for addressing the housing needs of low-income renters, Section 8.

I look forward to hearing the different perspectives and would like to welcome all of our distinguished witnesses as we discuss voucher utilization in a high cost area such as Los Angeles and ways to improve America's communities and strengthen housing opportunities for all citizens.

I now recognize the Gentlewoman from California and the Subcommittee's Ranking Member, Ms. Waters.