



INVESTING IN COMMUNITIES

**SENATE COMMITTEE
ON
GOVERNANCE & FINANCE
TESTIMONY BY
LA SHELLE DOZIER, MEMBER
CALIFORNIA ASSOCIATION OF HOUSING AUTHORITIES
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Good morning and thank you for allowing me this opportunity to speak with you today.

My name is La Shelle Dozier and I am the Executive Director of the Sacramento Housing and Redevelopment Agency. SHRA is a joint powers agency that serves the dual role of both the housing authority and redevelopment agency for the city and county of Sacramento.

SHRA is the region's largest Housing Authority, serves over 50,000 extremely low income residents, essentially a small city, with over 3,000 public housing units and over 11,000 Housing Choice Vouchers.

I speak to you today as a member of the California Association of Housing Authorities, an association of over 65 Public Housing Authorities.

I have with me today a letter of support from CAHA that supports the continuation of redevelopment in the State of California.

As Housing Authorities, we are particularly concerned with the proposal to eliminate redevelopment agencies. We see and serve the most vulnerable families and have extensive waiting lists of families seeking safe and stable housing.

Redevelopment and the tools that it offers, provides the necessary resources to create and preserve affordable housing, as well as to provide the necessary “place” or community for many of residents to live and work.

I would like to talk about three important points for your consideration.

1. REDEVELOPMENT AND HOUSING AUTHORITIES ARE COMPLEMENTARY AND IN MANY WAYS ARE VITALLY CONNECTED

The redevelopment agencies and housing authorities serve lower income communities through different approaches.

Redevelopment Agencies and Housing Authorities serve disadvantaged lower income communities, by providing safe and vibrant environments through investment in housing, parks, community centers, safe streets, access to healthy food and by definition, redevelopment agencies work to eliminate the negative influences of vacant and blighted properties.

The primary mission of Housing Authorities is to provide safe quality housing opportunities for low income families, in many cases, public housing is located in redevelopment areas, some of the most economically and socially challenged communities.

Redevelopment helps to level that playing field in these disenfranchised and distressed neighborhoods by investing local funds that leverage federal resources and provide private capital to improve the health and well being of the people who live there.

In Sacramento’s **Oak Park redevelopment area**, where one of our 16 public housing communities is located, redevelopment came in and invested resources for pedestrian level lighting, new sidewalks, curbs, crosswalks and landscaping to enhance pedestrian safety and improve access to local businesses for local residents including many of our residents that live in these areas.

In addition, with community support, we demolished two troublesome liquor stores, including one located near a public high school, decreasing crime and creating development opportunities for affordable housing on those now vacant lots.

Public Housing funds alone cannot provide these broader community investments that help uplift communities creating a sense of place and planting seeds that produce thriving neighborhoods.

Obviously, the value of redevelopment as a housing resource cannot be overstated.

The federal government through Housing Authorities is the largest investor in affordable housing. However, redevelopment serves as a key tool for the development of new affordable housing.

In fact, it is the State's primary producer of affordable housing

In Sacramento, more than 10-thousand units of housing for very-low income and homeless families were created over the past six years using redevelopment.

Without redevelopment the investment of more than \$81 million in funds set aside for affordable housing, which leveraged over \$1 billion in private and public capital for housing would not have happened.

This leads me to my second point:

2. REDEVELOPMENT LEVERAGES FEDERAL DOLLARS AVAILABLE TO HOUSING AUTHORITIES TO IMPROVE COMMUNITIES

The redevelopment link provides the local match to ensure that California Housing Authorities are well positioned to compete for limited federal dollars to create, preserve and improve affordable housing.

In Sacramento, \$3.2 million in tax increment funds leveraged \$10 million in competitive federal recovery funds exclusively awarded to California to rehabilitate our downtown public housing high-rise for extremely low income seniors.

But for redevelopment funding, leveraging those competitive funds would not have been possible.

Public Housing is often the safety net for the most vulnerable population in our communities and it continues to grow.

The new face of public housing is thousands of families displaced by the foreclosure crisis which has forced them out of homeownership in search of affordable rental housing.

Despite this unprecedented surge in the ranks of those in need of housing assistance, resources are stretched thin by diminishing funding from the federal government.

Yet housing authorities are continually being charged to do more with less.

Dissolving redevelopment as a provider and monitor of affordable housing and shifting responsibilities to public housing authorities without significant resources would be tantamount to an unfunded mandate.

Housing authorities simply do not have the financial resources to assume the obligation for monitoring and recapitalizing affordable housing created with redevelopment resources.

Even if housing balances were transferred to local housing authorities as suggested under the governor's budget proposal, it represents only **one time funding**.

After those funds were depleted, housing authorities would find themselves seriously overburdened and unable to fulfill State housing mandates and goals without the local resources required to maintain those units when they begin to show signs of wear and tear—and to preserve their affordability into the future.

Redevelopment also leverages federal funds to reposition large, severely distressed public housing properties and transform them into better communities.

The proven key to redevelop large housing authority properties are the Federal HOPE VI and Choice Neighborhood Programs which provide resources to change the shape of public housing and provide positive incentives for resident self-sufficiency and comprehensive services that empower residents.

San Francisco Housing Authority's HOPE VI success story is the revitalization of **Valencia Gardens**, a safe, supported community integrated within a vibrant neighborhood.

The \$66 million development replaced more than 240 dilapidated and blighted housing units—plagued by drug dealing, violence and obsolete plumbing and sanitation—with 260 affordable homes for extremely-low and low income families and seniors.

Sacramento plans to replicate San Francisco's success by repositioning nearly one-thousand units in three of its oldest public housing communities.

Redevelopment holds the key to hope for the 28-hundred residents in these communities that would benefit from this opportunity.

3. ELIMINATING REDEVELOPMENT WOULD HAVE UNINTENDED CONSEQUENCES IF HOUSING AUTHORITIES WERE LEFT TO FILL THE GAP

Without redevelopment funds to provide the local match to create and maintain affordable housing, immeasurable leverage of federal, state and private resources will be lost.

Communities that desperately need these resources would never be able to pull themselves up and out of their despair but for the tools redevelopment.

There is no better example of how redevelopment and public housing can work together to achieve shared goals, than Sacramento's **Phoenix Park Community Rebuilding project**.

It was called Franklin Villa when it was developed in 1969 as an ownership community of more than 900 condominiums for seniors and families.

But the concept never took hold and less than 10 years later, the murder of 51 year-old Harry Peterson, the first of many homicides in that community, triggered a downward spiral of investor ownership, absentee landlords, neglected maintenance and rampant violent crime.

Over the next three decades, multi-jurisdictional partnerships made numerous escalating attempts to take back the community, but none effectively addressed the problems.

The final solution was the Housing Authority stepping in to purchase privately owned properties using a \$7 million redevelopment investment which leveraged \$84 million in public/private funding.

Today, the old Franklin Villa is now Phoenix Park, a newly rebuilt community of 364 units of affordable rental apartments for seniors and families maintained by the Housing Authority.

This investment created a partnership with public safety resources dedicated to the community, and after-school programs to support neighborhood schools which are helping to boost attendance and keep kids out of trouble.

Phoenix Park is a thriving community for low income residents but without both Housing Authority and redevelopment tools and partnership, could not have happened.

Other intended consequences must not be overlooked, such as:

- Monitoring of all affordable housing units
- No ability to recapitalize affordable housing developments after 15 years
- Significant loss of on-going affordable housing after Year One
- Foreclosure and economic downturn increasing the demand for public housing that is already challenged
- Working poor become poorer causing further drain on public housing

In closing, Housing Authorities have partnered with redevelopment agencies to revitalize public housing, create good neighbor relationships and provide a needed boost of vitality where no other resource could do the job.

These essential entities are experienced at solving problems that have defied solutions, and meeting the needs of our communities through effective partnerships, innovation, flexibility and sheer dedication for the good work that we do.

Redevelopment agencies and public housing authorities are ready to partner with the State to find workable solutions that ensure the full benefit of these resources are available all communities.

Thank you.