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PUBLIC HOUSING REDEVELOPMENT STRATEGIES: IMPLICATIONS FOR JORDAN DOWNS, ITS COMMUNITY, AND RESIDENTS

FIELD HEARING

BEFORE THE

SUBCOMMITTEE ON
HOUSING AND COMMUNITY OPPORTUNITY

OF THE

COMMITTEE ON FINANCIAL SERVICES

U.S. HOUSE OF REPRESENTATIVES

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PUBLIC HOUSING REDEVELOPMENT STRATEGIES: IMPLICATIONS FOR JORDAN DOWNS, ITS COMMUNITY, AND RESIDENTS

Saturday, March 15, 2008

U.S. HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON HOUSING AND
COMMUNITY OPPORTUNITY,
COMMITTEE ON FINANCIAL SERVICES,
Washington, D.C.

The subcommittee met, pursuant to notice, at 11 a.m., at Jordan Downs Recreation Center, 9900 Grape Street, Los Angeles, California, Hon. Maxine Waters [chairwoman of the subcommittee] presiding.

Present: Representative Waters

Also present: Representative Richardson.

Chairwoman WATERS. I would like to ask all of those in the back to take their seats. This hearing of the Subcommittee on Housing and Community Opportunity will come to order.

I would like to say good morning to everyone and thank you all for taking time on a busy Saturday to come here and be with us in the gymnasium today to explore a lot of the rumors that have been taking place.

I would like to not only thank you for being here, but I would like to thank all of the volunteers of the resident council who work to make sure that Jordan is connected to our Los Angeles Housing Authority and that you are getting the resources that you need and that you are basically helping to maintain the upkeep of this community.

I have been in this gym many times over the past 20 or 30 years or so and we do not normally have a formal hearing; usually we have town hall meetings or we are meeting around a crisis. Today this is a formal hearing of the Subcommittee on Housing and Community Opportunity of the Committee on Financial Services of the Congress of the United States of America, and it is being recorded because we believe that it is important for all of us to be on the record about what we are doing, where we are going, and to understand what the facts are about possible or potential development here at Jordan Downs and perhaps the rest of South Los Angeles.

One of the reasons I wanted to hold this hearing today was because we have been through rumors in this community before. Over the years, the rumors have been rampant about what was going to happen at Jordan Downs, who was going to be relocated,

and what kind of development was going to take the place of what we know as Jordan Downs today. We have seen those rumors cause a lot of people to act in ways that they thought would protect them from being dislocated.

I can recall one year when the rumors were rampant. Some young people coming to my office to say, "Ms. Waters, we do not intend to allow anybody to put our grandmothers out. We do not intend to allow anybody to create homelessness. We do not intend to let anybody take our community." So remembering the concerns of many of our residents from yesteryear, I think it is important to get the facts to understand what it is and what it is not so that is why we are here today.

Having said that, we have a number of Members who wanted to be with us today but could not be here. We have some Members who are right here in California, but they are holding the caucuses for the Democratic party endorsements today. All of us who run in these various offices in the State of California, and in the United States Congress, have to go before delegates and they have to decide whether or not we are going to be officially endorsed by the party, so many of them could not be here because of that.

We will be joined a little bit later by one of our newest Members of Congress, Congresswoman Laura Richardson, who is in the district adjacent to this, so we work very closely together. While I represent Jordan Downs, she represents Nickerson Gardens, the other big housing development at Imperial Courts to the south of us. She will join me as she leaves her caucus today to participate in this hearing.

I want you to know that all over the country, the future of public housing development is being discussed. Many of you know that I have been very much involved in what is going on in the Gulf Coast. I have been very much involved in what is happening to public housing tenants, in New Orleans in particular, but also in Mississippi.

As you know, it is no secret that I was very concerned that the public housing units in New Orleans were boarded-up after Hurricane Katrina and people were given Section 8 vouchers. Some are in FEMA trailers still; some are in still in Houston, Texas; Austin, Texas; Atlanta, Georgia; and other places. The units are still boarded-up and now HUD has decided that they are going to demolish most of those units in New Orleans, including the big ones that you know about, La Fete and St. Bernard. These housing units are coming down.

One of the things I have said to HUD authorities and to Mr. Montiel here at our own City Housing Authority and one of the things we have placed into law as we have passed HOPE VI legislation is that if there is redevelopment in any of our public housing developments, there must be one-for-one replacement.

There must also be phased redevelopment so that people don't get lost and they don't come up with relocation schemes and we don't know what happens to residents. I want to share that with you because I, along with the chairman of the full Financial Services Committee, Chairman Barney Frank, and others are focused on public housing development. We intend and we are putting into

law more resident involvement. I know that hurts the ears of some people but we believe in resident involvement.

We believe again in one-for-one replacement if development ever takes place, and we believe that there must be phased redevelopment so people don't get lost in relocations. Also, some of the basic beliefs that we have been working with in the Congress of the United States.

Today, in addition to the work we have done on HOPE VI, we are focused on Jordan Downs because of the rumors. There have been some town hall meetings that have been held here. There have been rumors about developers that have been contracted with. There have been rumors about the kind of development that would take place if, in fact, there is redevelopment. All kinds of rumors.

I have said to Mr. Montiel, who is the housing authority director, that there will never be any development that takes place in secret. There will never be anything that begins in the dark of night. There should never be any attempt to get a plan together without the people who live in Jordan Downs being involved in the development of any plan that takes place.

Mr. Montiel agrees with me and, of course, I threaten him every time I see him and he understands. He is a willing participant here today because he is going to tell us everything that he knows about any discussion about development here at Jordan Downs. He may also want to talk about other developments a bit in South Los Angeles.

With that, we will begin our hearing. I am going to call on our first panel. Let me introduce the entire panel: Ms. Dominique Blom, Deputy Assistant Secretary, Office of Public Housing Investments, U.S. Department of Housing and Urban Development; Ms. Helmi Hisserich, deputy mayor for housing and economic development policy, Office of the Mayor, City of Los Angeles; Mr. Rudy Montiel, executive director, Housing Authority of the City of Los Angeles; and Mr. Eric Brown, economic development director for Watts, Office of Councilwoman Janice Hahn, Council District 15.

That is our first panel and we will start with Ms. Dominique Blom. Thank you for being here.

Hold on one moment. For the people in the back of the room, please come forward. There are seats up here and we have to be careful because of the bounce-back in the auditorium. When you are speaking in the back, it bounces and it disturbs the speaker and we can't really hear what they are saying, and that is important. We want to know what everybody is saying today. We want to understand them clearly.

With that, please come forward. We have some seats up here. Do we need some more chairs? Can we get some more chairs brought in? Where is Mr. Mikael Moore? I would ask Mr. Edgar Saenz. I see that April is in the back. Let us get some more chairs so that everybody can be seated. I know that we have more chairs in this building. Let us just bring them up so that everybody can get comfortable.

I am so pleased to see the participation that we are seeing and I want the chairs to be brought in to accommodate everybody who is here. Will you point to the seats so people can come and take them? All right. We have people with their hands up where there

are chairs. Please come in. I would like April to go back to the office and find out if there are more chairs in the building somewhere. Would you ask if they have even more folding chairs they can bring in? They can bring them down front. We have lots of chairs over here to my left. Come right in.

Excuse me, Ms. Blom. We will start in just a moment. Let us get everybody settled.

While they are getting seated, I would like all of my witnesses here to know that without objection, your written statements will be made a part of the record, and each of you will be recognized for 5 minutes. You don't have to read your testimony; you can give us a summary if you would like. You certainly may read it, but I am going to ask you to keep it within 5 minutes.

Mr. Greg Brown, do you want to take a seat up here with us? Thank you, Edgar. Hello, Ms. Day. How are you doing? Even though my eyes are not that good, I can see you. Okay. We are doing pretty good. We only have a few more people standing in the back. Come right down front. Right down front. We have plenty of chairs over here to my left. Hello, Mr. King. How are you doing? Good to see you. There are interpreters in the back there. Thank you. How are you doing? Good to see you. Come right down front. Come right down. We have some chairs right over here for you. As I understand it, Mr. Rudy Montiel's testimony is in Spanish. It has been transcribed.

Mr. MONTIEL. My testimony was transcribed.

Chairwoman WATERS. And it is at the table to be passed out?

Mr. MONTIEL. I understand that is the case.

Chairwoman WATERS. Okay. Staff, I would like to ask our translators to announce that Mr. Rudy Montiel's testimony is in Spanish at the table so that they can get a copy and follow it also along with him as he testifies. I guess they can do it that way.

All right. We are going to begin again, and I am going to ask Ms. Dominique Blom, the Deputy Assistant Secretary for the Office of Public Housing Investments, U.S. Department of Housing and Urban Development, to begin her testimony. Thank you.

STATEMENT OF DOMINIQUE BLOM, DEPUTY ASSISTANT SECRETARY, OFFICE OF PUBLIC HOUSING INVESTMENTS, U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Ms. BLOM. Thank you very much. Good morning, Chairwoman Waters. I am Dominique Blom, the Deputy Assistant Secretary for the Office of Public Housing Investments at the U.S. Department of Housing and Urban Development.

Thank you very much for inviting me to testify today. Over the last 15 years, the HOPE VI Program has provided funding for the revitalization of distressed public housing developments. While the HOPE VI Program represents a significant investment in these communities, the Program is not available or appropriate for all public housing revitalization efforts.

The four most significant funding alternatives to the HOPE VI revitalization program operated by the Department are: HOPE VI demolition grants; the Mixed-Finance Public Housing Program; the Capital Fund Financing Program; and the Public Housing Mortgage Program.

HOPE VI demolition grants provide housing authorities with resources to raze distressed developments and relocate families. The result is a cleared site that more readily attracts resources for the revitalization of the project. These grants are an especially important resource for housing authorities that do not have a HOPE VI revitalization grant, but do have access to other funding sources.

Since 1996, HUD has provided over $395 million in demolition funds across 127 public housing agencies. In the case of the Dana Strand site here in Los Angeles, the Housing Authority applied several times for a HOPE VI revitalization grant but did not receive HOPE VI funding. However, the Agency was awarded $3.2 million in demolition grant funds in 2001. Demolition was completed in 2003 and the cleared site attracted approximately $54 million in redevelopment funding which was used to build 236 public housing and tax credit units for low-income families.

The Mixed-Finance Public Housing Program, which was used to redevelop Dana Strand, allows HUD and Housing Authorities to mix public and private funds to develop and operate housing developments. Since 2004, public housing agencies have used this program to construct over 12,000 units of public and other affordable housing across 121 projects spending $670 million in Federal public housing funds and $1.4 billion in leverage resources.

The third alternative program available through the Department to redevelop public housing is the Capital Fund Financing Program. This program allows public housing agencies to borrow from banks or issue bonds using their Capital Fund grants for debt service. Public housing agencies are able to leverage up to one-third of their Capital Funds to complete modernization or redevelopment of distressed public housing developments. As of December 31, 2007, HUD has approved 106 transactions in which 186 public housing agencies are participating. The total amount of loan and bond financing approved across these projects exceeds $3 billion.

For example, in California, the Oxnard and Santa Clara housing authorities raised over $10 million in bond financing. More recently, the Kern County Housing Authority undertook a direct loan in excess of $6 million using the Program.

In addition to these resources, HUD recently established the Public Housing Mortgage Program. This program allows public housing agencies to borrow funds for affordable housing purposes by providing a mortgage on public housing real estate. The most recently approved transaction under this program allowed the Tacoma Housing Authority to mortgage public housing land to facilitate a $16 million bridge loan for infrastructure development. This investment was combined with additional funds that will ultimately yield over 360 affordable homeownership and rental units.

The primary reasons for housing agencies to pursue these alternative funding sources are the scarcity of HOPE VI redevelopment funds, the planning costs and the time involved in submitting a HOPE VI revitalization application, and the belief that the project may not be competitive for HOPE VI funding.

Although these alternative funding sources do not provide dedicated resources for Community and Supportive Services, the Department operates several programs that public housing authorities can draw on to support these activities, such as the Resident

Opportunities and Self-Sufficiency Grant Program and the Family Self-Sufficiency Program. Moreover, resident and community involvement is a required component across each of the funding streams I have discussed.

Despite the smaller scale of non-HOPE VI revitalization projects, the spillover impacts on the surrounding neighborhood are similar to those documented under the HOPE VI Program. These efforts tend to result in higher quality housing, a lower crime rate, and increased property values and business development in the surrounding neighborhood.

Thank you for the opportunity to discuss the non-HOPE VI revitalization programs operated by HUD. We believe the programs I have outlined today are invaluable resources to public housing agencies in their efforts to improve the quality and quantity of affordable housing in their communities. I am happy to respond to any questions that you may have.

[The prepared statement of Ms. Blom can be found on page 34 of the appendix.]

Chairwoman WATERS. Thank you very much.

Next we will hear from Ms. Helmi Hisserich. Would you please pronounce your last name to make sure we are saying it correctly.

STATEMENT OF HELMI A. HISSERICH, DEPUTY MAYOR OF HOUSING AND ECONOMIC DEVELOPMENT POLICY, OFFICE OF THE MAYOR, CITY OF LOS ANGELES

Ms. HISSERICH. Thank you. Good morning, Chairwoman Waters. My name is Helmi Hisserich.

Chairwoman WATERS. Hisserich. Thank you very much.

Ms. HISSERICH. Yes. I am the deputy mayor for housing and economic development policy in the administration of Mayor Villaraigosa. In the interest of time, I will summarize my comments and provide my written testimony; it is in the back of the room.

One of my primary responsibilities as Deputy Mayor is to ensure that the City agencies that are working on housing are working together not only on broad citywide housing goals, but also on specific strategic actions. I would like to first talk a little bit about the housing crisis in Los Angeles and what we are confronting, and then I will spend a few minutes discussing how redevelopment of public housing fits into the overall plan.

I want to thank you for the hearing today because this is an important opportunity to consider redevelopment of public housing and also to clear up confusion surrounding the discussion of public housing in Jordan Downs.

Los Angeles is in the midst of a housing crisis that is among the worst in the country. Last July, Forbes.com ranked Los Angeles the number one least affordable housing market in the United States based on a study that compared housing prices to incomes. Last August, the Center for Housing Policy ranked Los Angeles No. 1 out of 31 metropolitan areas nationwide as having the greatest percentage of working households spending more than half of their income on housing.

Last September, the Los Angeles Home and Services Authority updated the City's homeless count and found Los Angeles has the

Nation's largest homeless population, with over 40,000 unhoused people. According to the census, an estimated 25 percent of Los Angeles households live in severely overcrowded conditions that are equivalent to five people living together in a one bedroom apartment.

Current rental vacancy rates in Los Angeles are at an all-time low. They are below 5 percent, and in some parts of the City, rental vacancy rates are as low as 2 percent. In other words, Los Angeles is fully occupied. Now, due to the foreclosure crisis and the tightening of the credit market, more pressure is being put on LA's already full rental housing market and rents throughout Los Angeles are going up.

One of the reasons Los Angeles is in this crisis is because the City has not built enough housing to meet the needs of the population. In order to keep pace with population growth, the City should be adding approximately 13,000 units of new housing every year. However, in the past 17 years, Los Angeles has only met that number twice, in 2006 and 2007.

For many years, Los Angeles has produced far fewer units than it needs. Not only has Los Angeles not built enough housing, the housing that has been built has been at prices few people can afford. If we are to address the real housing need in Los Angeles, we must build housing for people living on SSI, housing for people earning $10 an hour, housing for people earning $20 an hour. In other words, we need to build new housing in Los Angeles that is affordable to low- and moderate-income people.

The Mayor has taken a proactive position on the development of affordable housing. Our office has been actively looking for opportunities to encourage development of affordable and workforce housing near transit systems. During the past few years, most of the City's housing development and investment has occurred in downtown, Hollywood, and North Hollywood. That is why when Rudy Montiel of HACLA presented the Mayor last year with the concept of redeveloping 1950's-era public housing into mixed-income urban villages, the idea caught the Mayor's attention. If a plan could be created that could bring investment, affordable housing, and jobs to Watts, the Mayor is interested.

However, before any idea can become a reality, the funding must be identified, the community must be engaged, and a plan must be developed. That is why it is important for all of us to begin at the same place. Today, no money has been committed, community engagement has not begun, and there is no plan in place. But when the time comes, rest assured that community involvement will play a key role in this process.

Before beginning a community engagement process, the City must determine how realistic the funding sources are for the project. As you know, the redevelopment of public housing hinges on the City's ability to leverage local resources with Federal, State, and private sector money. Next year, the Housing Authority intends to seek HOPE VI funding.

The Major supports this in concept and in anticipation of this, the Mayor has initiated a capital planning effort with all of the departments of the City that have housing funds. These departments include the Housing Authority, the Los Angeles Housing Depart-

ment, the Community Redevelopment Agency, the Los Angeles Homeless Services Authority, and the Community Development Department.

The purpose of the capital plan is to identify all the resources available to support the creation of affordable housing in Los Angeles over the next 5 years. During the year ahead, the Mayor looks forward to working with elected and local leaders to develop a process for community engagement in Watts and to determine if the redevelopment of public housing here could be implemented. We must begin with a good plan and the plan must begin with the community.

We have been reviewing best practices throughout the country and the Mayor has drafted a set of principles that he believes are necessary for successful redevelopment of public housing. I will briefly share with you some of these principles.

First, involve the residents in the planning. The Mayor believes the planning effort should involve the people who live and work in the neighborhood. Residents should be engaged in the process from the start and throughout.

Second, ensure no loss of public housing. One-for-one replacement of public housing units is a priority, and development must be phased-in in a way that minimizes displacement of existing tenants. Emphasis should be placed on on-site relocation of tenants.

Third, building a housing ladder—build housing for a mix of incomes that includes public housing, affordable housing, and market rate housing. Emphasize housing for families and make both rental and homeownership opportunities available at varying income levels. Maximize to the greatest extent possible affordable housing.

Any such redevelopment project should connect to the schools and parks. Projects should connect to public transportation. Projects should connect to jobs. Any redevelopment effort must be envisioned as a chance to create an economic ladder in South Los Angeles. Permanent jobs in growth industries must be part of the plan along with job training, job placement, local entrepreneurship, minority contracting, employment opportunities for neighborhood residents during and after construction, and making the neighborhood safe.

Finally, make the neighborhood green. Whether it is solar panels or rooftop gardens, a new development should be a model for sustainable design that will reduce the carbon footprint of Los Angeles and make the air in the neighborhood easier to breathe.

Thank you for your time.

[The prepared statement of Ms. Hisserich can be found on page 44 of the appendix.]

Chairwoman WATERS. Thank you very much. Next we will hear from Mr. Eric Brown, economic development director for Watts, Office of Councilwoman Janice Hahn, Council District 15.

STATEMENT OF ERIC BROWN, ECONOMIC DEVELOPMENT DIRECTOR FOR WATTS, OFFICE OF COUNCILWOMAN JANICE HAHN, COUNCIL DISTRICT 15

Mr. BROWN. Good afternoon, Chairwoman Waters. My name is Eric Brown, and I am the deputy representing Councilwoman Jan-

ice Hahn today. I would like to read a letter that she has submitted to your committee:

"Dear Congresswoman Waters:

"I would like to commend you for holding a hearing on behalf of the Subcommittee on Housing and Community Opportunity in the Jordan Downs Development. I understand there are extreme difficulties and challenges that are presented in the creation of affordable housing. Creating new jobs, new housing, and safe communities have been my main goals since I was elected to represent this community in 2001.

"I have more housing developments in my council district than any other council district in the City. Most of these developments are some of the oldest public housing stock in the City. I think that the Federal Government has neglected these developments in many ways and the constituents of my district deserve better.

"(1) The idea of redeveloping any of our public housing developments is very unnerving to many people, particularly the residents. Because of that, I will only support a redevelopment that builds replacement housing before any current housing is demolished. This, in my opinion, is the only acceptable way to go about the redevelopment, and because of that, the acquisition of new land near Jordan Downs is vital to any plans for redevelopment.

"(2) The main principle for redeveloping Jordan Downs is to revitalize this community. Redeveloping Jordan Downs would bring jobs, retail, and homeownership to a neighborhood that both needs and deserves these things.

"(3) I have had two other successful redevelopment projects in my district, Harbor Village and Dana Strand, that have been very successful. Dana Strand in the Wilmington, for example, is currently underway and when completed will consist of 400 units, consisting of 100 senior units, 120 townhomes, 116 rental units, and a possible 77 units for homeownership.

"(4) I feel there could be great potential for the Jordan Downs redevelopment project if we can create a strong public and private partnership with all levels of government. The impact of this project could be a model for developments around our City, State, and country.

"(5) I believe that redeveloping Jordan Downs will require an equal partnership with the community, all levels of government, and private entities to create a transparent process to make this project a success. Most importantly, we must include the current residents of Jordan Downs. Oftentimes, they are the last to get information and weigh in on the decisions that most impact their lives. The residents of Jordan Downs must be included in this process from the very beginning.

"Thank you again for holding this hearing and for allowing me to give my input.

"Sincerely, Janice Hahn, Councilwoman, 15th District, City of Los Angeles."

[The prepared statement of Ms. Hahn can be found on page 40 of the appendix.]

Chairwoman WATERS. Thank you very much.

Last on this panel, we will hear from Mr. Rudy Montiel, the executive director of the Housing Authority of the City of Los Angeles.

STATEMENT OF RUDOLF C. MONTIEL, PRESIDENT AND CEO, HOUSING AUTHORITY OF THE CITY OF LOS ANGELES

Mr. MONTIEL. Thank you, Madam Chairwoman.

Chairwoman WATERS. I would like you to speak right into the microphone and speak up so everybody can hear you.

Mr. MONTIEL. Can everybody hear me? Good. Why are we talking about redevelopment? I think we understand redevelopment is necessary. It is a national issue. You can see the housing. The housing is 1940's vintage. The rooms are small, the kitchens are small. They are not energy efficient. Many of these developments are not close to good public schools. They lack good public safety.

So do we have a plan? No, we don't have a plan. We have a concept. We have a vision that was articulated by the Deputy Mayor quite well. It is a vision that is not focused on Jordan Downs. It is citywide. We are looking at other opportunities citywide.

It is a focus that is based on development of new units for public housing on a one-to-one replacement. May I say that again? One-to-one replacement. I will even say it in Spanish. It will be a phased redevelopment because as was stated earlier, Los Angeles is full. We have nowhere for our people to live, for our families to live if we displace them from Jordan Downs.

It will be green. It will have all the latest efforts to make our development sustainable, both the construction and the operation phase. I want to emphasize that nothing happens without involving the residents. We will not do anything without involving the residents.

Now, are there rumors? Are there things that people are hearing? Yes. I am here as the chief executive officer of the Housing Authority of the City of Los Angeles to tell the public today that we have no definite plan for redevelopment of Jordan Downs.

Chairwoman WATERS. Would you repeat that, please?

Mr. MONTIEL. I am here to tell the public that we have no definite plan for redevelopment of Jordan Downs today. What is our concept? Everybody can see that there is vacant land adjacent to Jordan Downs. Would we like to acquire it? Of course we would.

What I am showing now is item one, and we passed out some smaller versions of this. They are in the audience. This is vacant land that is adjacent to Jordan Downs. This is Jordan, this is 97th, this is 103rd, this is Great Street, and this is Alameda. As you can tell, there is a tremendous amount of vacant land. The concept would be if we were to acquire this land, we would build new units. Once the new units were up, then we could move families from the old units to the new units and then essentially demolish vacant units and build more.

Some people have heard that we have talked with the LAUSD. We have because we believe that Jordan High School in the right community led effort in partnership with city agencies, LAUSD led by the Mayor's office, we could indeed envision a time when Jordan High School would be as nice as the brand new high school over in Southgate that is right there. In addition to that, there is poten-

tial here on the Alameda corridor to develop retail opportunities that could not only serve the residents of the new Jordan Downs but also serve as a place where there could be places of employment for people.

Part of our concept says that we would have local hiring agreements when we do redevelopment so that the people who live there today who have the social equity also have the opportunity to prosper in this redevelopment. Will we involve the nonprofit sector? Absolutely. Many of the nonprofits are very skilled at providing the services that we as a housing authority are not skilled at.

Will we involve the private sector? Absolutely. The private sector can develop vertical development far more efficiently than the housing authority. This is what it is all about. A major partnership, nonprofit, for-profit, public entities, and public/private coming together to redevelop a new urban village.

Where are we today? Today we don't have a definite plan. Today the land is not acquired. When we acquire the land, if we acquire the land, then we could begin the process of engaging the public, engaging our community to determine what we can do together at Jordan Downs. Definitely at this point we have not entered into a negotiation, much less a contract with any developer, with any nonprofit, with any for-profit. It simply isn't true.

I would ask you, as you hear these rumors, the people in the audience, if you are concerned, if you have doubts, if you have heard rumors, call me. Marianna DeSoto is at the back of the room. She has business cards. It is area code (213) 252–1810

Chairwoman WATERS. And they can call you?

Mr. MONTIEL. They can call. Madam Chairwoman, thank you again for the opportunity to testify.

Chairwoman WATERS. Thank you very much.

[The prepared statement of Mr. Montiel can be found on page 50 of the appendix.]

Chairwoman WATERS. At this point, we will ask questions of our panel before we call the second panel. I an going to start with our first witness, Ms. Blom. But before I do, I see that one of our city council persons just entered the room, Councilman Bernard Parks.

Ms. Blom, you started talking with us about HOPE VI. A lot of people here know what HOPE VI is and a lot of people don't know. What is HOPE VI and why do you think your testimony about HOPE VI is important to what we are doing here today?

Ms. BLOM. Thank you, Ms. Waters. The HOPE VI Program was a program that began in 1993 to fund housing authorities for the redevelopment of distressed public housing. Currently the Department is providing 20 million grants to housing authorities on a competitive basis.

The Fiscal Year 2008 Notice of Funding Availability will become available soon to housing authorities, and the Housing Authority of the City of Los Angeles would be able to apply under that notice of funding availability for this project or for other projects within its portfolio that are of a distressed nature and provides grant funds to the housing authorities to relocate the families, provide community and supportive services to the families, demolish the development and then rebuild in a mixed-income setting so that families will be able to return and come back to a redeveloped

project that has a mix of public housing, affordable housing, and hopefully market rate housing as well.

Chairwoman WATERS. All right. Ms. Hisserich. Are we all here? Yes. You mentioned a kind of vision that the Mayor has for housing development and expansion in the city because of a housing crisis. You alluded to a plan of sorts for perhaps South Los Angeles. Could you tell us a little more about that? Is there a definite plan for South Los Angeles that you know about at this time?

Ms. HISSERICH. For housing, there is not a definite plan for South Los Angeles. The Mayor is very interested in developing housing in South Los Angeles, throughout South Los Angeles, and throughout the City of Los Angeles. The goal for housing is to develop mixed-income communities throughout Los Angeles. What that means is that there is a great deal of discussion in the City about traffic in parts of the west side.

The Mayor believes by putting a fair share of affordable housing in parts of the City where there is not affordable housing, they can relieve traffic. Similarly, because of economic disadvantages in South Los Angeles, the Mayor believes that by creating mixed-income communities in South Los Angeles we can create jobs and economic opportunity in South Los Angeles that aren't available today. The redevelopment of public housing is something that we are looking at throughout the City at all public housing sites but there isn't a plan as such in South Los Angeles for that.

Chairwoman WATERS. All right. I'm trying to get you to be as specific as you can. I appreciate that. Here in South Los Angeles we have Nickerson, of course Jordan, Imperial Courts, Gonzaque, and Avalon. There is a rumor that there is a plan for downtown somewhere to get rid of all of the public housing. Is that true?

Ms. HISSERICH. Oh, that is absolutely untrue.

Chairwoman WATERS. Okay. All right.

Ms. HISSERICH. There is no such plan.

Chairwoman WATERS. Okay. Very good. Thank you.

Mr. Brown, thank you for sharing with us the letter from Janice Hahn. I think she was very clear that she would like to see improvements and that if there is a way to make life better, to make the public housing developments better, she would like to see that. She is adamantly opposed to this dislocation, displacement in any plan. There must be community involvement. As of today, she does not know of any plan to do any development here at Jordan because no land has been acquired. No money has been put up. Am I correctly stating her position?

Mr. BROWN. You are absolutely correct, Chairwoman Waters.

Chairwoman WATERS. Is there anything you want to add to that?

Mr. BROWN. No, thank you.

Chairwoman WATERS. All right. Now, Mr. Rudy Montiel. I have a lot of questions for you.

Mr. MONTIEL. Okay.

Chairwoman WATERS. Let us start with the land. You pointed out to all of us the land and you gave all of our residents a copy of this layout that includes Jordan. It shows where the land is and the surrounding streets. Where are you in the acquisition of the land? Are you actively trying to acquire that land?

Mr. MONTIEL. We have actively pursued acquisition of land for about the last year, Madam Chairwoman. The land had been tied up in litigation. It is a public record issue. At this point, we do not have control of the land.

Chairwoman WATERS. Why is it tied up in litigation?

Mr. MONTIEL. It is tied up in litigation between the sellers and another buyer. It goes back to 2003.

Chairwoman WATERS. So it sounds as if someone attempted to buy that land, and they have some kind of option of right-of-refusal, and that has not been resolved. Is that correct?

Mr. MONTIEL. That is correct. We understand the resolution on that is forthcoming through the court shortly.

Chairwoman WATERS. So you have not spent a dime of your money. There has been no Federal money. There has been no CDBG money. There has been no home money, anything spent to acquire that land at this point. Is that right?

Mr. MONTIEL. We have not spent a single dollar of any type of money.

Chairwoman WATERS. If the court cleared up the litigation anytime soon, and you moved to acquire the land, do you have the money to do it?

Mr. MONTIEL. We have the funds to acquire the land or the lines of credit to accomplish that. Yes, ma'am.

Chairwoman WATERS. How much does that land cost?

Mr. MONTIEL. That is an interesting question because we believe that the land is worth less than the owners believe that the land is worth.

Chairwoman WATERS. How much are they asking for the land?

Mr. MONTIEL. They are asking for $40 million.

Chairwoman WATERS. They are asking for $40 million for the land. Of course, if you were trying to get it, if you were going to pursue it, you would be negotiating to try and get it at a cheaper price?

Mr. MONTIEL. Absolutely.

Chairwoman WATERS. If you got involved in such negotiation in the next week or month or 6 months, how long do you think it would take to acquire the land?

Mr. MONTIEL. I believe that once the lands were out of the litigation stage, etc., it would probably require between 90 and 180 days to actually get a contract on the land.

Chairwoman WATERS. Is there any toxic material deposited on that land?

Mr. MONTIEL. We believe that there may be some environmental impact to at least the first 6 to 12 inches of soil on the land.

Chairwoman WATERS. If so, that would add to the cost. Cleanup cost would have to be incurred in order to prepare the land for development. Do you have that money? Are you expecting that from the Federal Government in the Brownfields Act or where would you get that money from?

Mr. MONTIEL. My sense is that once the site was under control, we would then begin to develop the plan that we were talking about, not only with the resident involvement, but also on the financial side bringing together the City resources, and the State

and Federal resources. The Brownfields Act could potentially be a source of funding for any clean-up.

Chairwoman WATERS. As you know, citizens, whether they are residents of Jordan Downs or any other part of the City, are concerned about the environmental problems that would be involved with land where you may have deposits. How would you involve the citizens in making sure that their concerns can be satisfied that if there was a plan to develop that land, it would be cleaned up and saved?

Mr. MONTIEL. Indeed. There are several requirements at the State, the local, and even the Federal level that require community involvement. Obviously on the redevelopment side your legislation is very strong when it comes to tenant protections. We agree with it almost to the letter of the legislation. It is good legislation.

Secondly, on the NEPA and CEQA, the environmental permitting processes for the State of California are extremely rigorous, among the most rigorous in the Nation. Finally, just the local planning process of the comp plan for this part of the City is being developed by the planning department so at some point when we were trying to do something here we would have to involve the planning department and they would have certain public notice requirements as well in meeting requirements.

Chairwoman WATERS. There is a rumor that you have already contracted with developers. Do you, or have you, entered into any agreements with developers to develop Jordan Downs?

Mr. MONTIEL. Absolutely not.

Chairwoman WATERS. You have signed no contracts?

Mr. MONTIEL. I have signed no contracts.

Chairwoman WATERS. You have put no requests out for proposal?

Mr. MONTIEL. The only request for proposal that we have put out, Madam Chairwoman, is for HOPE VI consultants for citywide development.

Chairwoman WATERS. But this would not necessarily be a HOPE VI project. Is that right?

Mr. MONTIEL. Not necessarily.

Chairwoman WATERS. Not necessarily.

Mr. MONTIEL. Not necessarily. Ideally HOPE VI money would be very helpful here, but at this point in the process we are not sure what the plan would bring.

Chairwoman WATERS. Does this project depend on HOPE VI money?

Mr. MONTIEL. I don't think that it would depend on HOPE VI money, although HOPE VI money would be very attractive because it provides the soft-side dollars, resident training, the job opportunity, the family self-sufficiency dollars.

Chairwoman WATERS. Ms. Blom, how much money did the President put in the budget for HOPE VI?

Ms. BLOM. The President did not ask for any funds as part of the Fiscal Year 2008 or Fiscal Year 2009 budget submission.

Chairwoman WATERS. I think it is important to know that the President has not requested any funding for HOPE VI. We have a HOPE VI bill, my legislation that would fund HOPE VI if it goes through the Congress of the United States. Of course it would be on the President's desk for signature, but I think it is important

for Mr. Montiel to know that if he is depending on HOPE VI money, it may or may not be available to him. Okay. So we have no developers. Do you have any private entities that have invested any money in the proposed Jordan Downs redevelopment?

Mr. MONTIEL. You know, that is an excellent question. If there are private entities that have invested any money on Jordan Downs it has not been, and I repeat it has not been at the direction of the housing authority of the City of Los Angeles.

Chairwoman WATERS. So does that mean that you don't know about any money that has come from any private source as an investment for redevelopment of Jordan Downs? Is that what you're telling me?

Mr. MONTIEL. That is what I am telling you.

Chairwoman WATERS. Because you know that is one of the rumors.

Mr. MONTIEL. I understand that.

Chairwoman WATERS. There has been no investment by a private entity. I want the people to understand what you are saying very clearly, there has been no investment of private money at this time. Is that correct?

Mr. MONTIEL. Not in our direction. By saying that, I am saying that I do not know of anyone who has made an investment in that property.

Chairwoman WATERS. All right. Thank you very much. How many vacant units do you have?

Mr. MONTIEL. I would have to ask our manager, Martin Purrey. Martin, are you in the room? If you will give me a second, Madam Chairwoman, Mr. Ricks, our director of public housing, will give me that answer.

Chairwoman WATERS. Okay.

Mr. MONTIEL. We have 20 vacant units here at Jordan Downs today, two zero.

Chairwoman WATERS. Two zero. There has been a rumor, Mr. Montiel, that you may not have been investing in upkeep at Jordan Downs and Nickerson because you are anticipating redevelopment and you are allowing the units to be boarded-up and you are not putting money towards the upkeep that it should be put toward. Is that true?

Mr. MONTIEL. Well, I would answer that, Madam Chairwoman, this way. Not only is it not true, but during my administration that began at the end of 2004, we have actually reduced the number of vacant units citywide. Now, we have taken a phased approach and we have focused on some communities faster than others.

Jordan Downs used to have a lot of vacant units. Today it has a lot less, only 20. Ramona Gardens on the east side of town had at one time about 120 units. Today they don't have any vacant units. We are now getting to the point where we have let an RFP for asbestos abatement citywide to accelerate the process of filling vacant units targeting Nickerson Gardens where we have over 200 vacant units right now.

Chairwoman WATERS. That is a lot.

Mr. MONTIEL. Yes. I would add, Madam Chairwoman, that many of these vacant units have been vacant for over 5 years.

Chairwoman WATERS. So while you are in the process of thinking about redevelopment, of looking at land acquisition, working on a plan perhaps are you going to continue to do the work that is necessary to make sure that the units and the people who live here now are safe and secure and that they are getting the kind of repairs and upkeep that is necessary for a good quality of life?

Mr. MONTIEL. Yes, ma'am, to the extent that we utilize our relatively small capital budget. As you know, capital fund allocations have actually been reduced over the last 5 years from Congress and from the administration of budgets. If those were to increase, we would obviously do more work. But as far as utilizing the money that we are getting, we have actually gone from being 3 years in arrears to trying to spend the money we get the same year we get it.

Chairwoman WATERS. I am aware of that problem and that is one of the things my subcommittee is working on.

Mr. MONTIEL. Indeed.

Chairwoman WATERS. I guess what I am saying is that you have 20 units, and that is not a lot. That is relatively small compared to some of the other public housing developments. However, because as the Mayor's representative has said, we have a housing crisis, those units are needed by somebody. I am talking about ordinary repairs of paint, changing washbasins, putting in flooring. Do you plan on doing that?

Mr. MONTIEL. Yes. In fact, under Mr. Ricks' direction, our new director of public housing, he has initiated a very aggressive program of accelerating repairs and accelerating major improvements to the facility throughout the City starting with roofs, playgrounds, and systems such as electrical and plumbing.

Chairwoman WATERS. Now, if you redevelop it, would probably follow the HOPE VI model. The HOPE VI model is that you have market rate units.

Mr. MONTIEL. Yes.

Chairwoman WATERS. That means the fair market rate that has been charged out in the larger society. You also have homeownership opportunities?

Mr. MONTIEL. Yes.

Chairwoman WATERS. And then, of course, you have opportunities for those who qualify for public housing.

Mr. MONTIEL. Yes.

Chairwoman WATERS. How then can you do one-for-one replacement of all the people who are in public housing if you are going to dedicate some of these units to market rate and homeownership?

Mr. MONTIEL. Excellent question. In our concept, in our vision because, again, no plan exists, it would be for increasing the number of units that are onsite because additional land would be provided as we said. Plus the density on the existing land would also increase so in some ways you would have some denser housing.

I believe our Mayor periodically calls it elegit density which would allow more units here going from about 700 to about 2,100 units in the overall development and that would allow for public housing one-to-one replacement. For workforce housing a similar number, about 700 units, and then about 700 units of market rate and homeownership opportunities.

Chairwoman WATERS. What is workforce housing?

Mr. MONTIEL. Workforce housing is best defined perhaps in terms of the area of immediate income. Public housing is typically around 30 percent of the low area. Workforce housing would go from there probably all the way to 80, 90, or 100 percent where you have working families who still cannot afford the market rent in the City of Los Angeles. As the Deputy Mayor said, it is very expensive. Then the market rate would probably start at 100, 110, or 120 percent on up.

Chairwoman WATERS. So you anticipate that should you do development here, you would expand the number of available units so that you could accommodate the concept that you just described, market rate and homeownership, and still have housing available for people who qualify for public housing. But you talked about density. Could you have more density without the approval of the people who live here?

Mr. MONTIEL. No.

Chairwoman WATERS. So if the people who live here say, "It is dense enough. We don't want any more density" how then would you accommodate the concept?

Mr. MONTIEL. Well, if the people were to say that we cannot have any more density and the project, as they say in development terms, would not pencil without more density. It would really drive the question of whether or not Jordan Downs gets redeveloped. As we have discussed before, we are looking at other opportunities throughout the City understanding that if Jordan Downs doesn't happen, where else can we begin redevelopment.

Chairwoman WATERS. As I remember this development, we have outdoor space that we don't want to lose.

Mr. MONTIEL. Correct.

Chairwoman WATERS. Does the proposed development anticipate utilizing that outdoor space to create the density?

Mr. MONTIEL. Yes and no. Let me answer it this way. We believe that in the new urban approach to redeveloping public housing at Jordan Downs, although there is a lot of space here, it is not that well-utilized. For example, you have a field here at the school that gets used about 10 percent of the time. You have a field here. Then you have a lot of green space between the units.

I am wondering as you go to other places in Southern California that are very attractive to people on limit in Santa Monica and places like that, this is a perfect example. It has elegit density, yet it has the amenities for people willing to pay top dollar to get it. That is a concept, how to better utilize the space.

Chairwoman WATERS. I understand what you are saying, but when you look at a development like Playa Vista and you compare the way the space is used, and then you take a look at Jordan Downs or Nickerson or Gonzaque or Avalon Gardens, you will probably find that there are more children per unit than in Playa Vista which means in this era of everybody embracing green space, you probably will need sizable green space.

Mr. MONTIEL. Indeed. Indeed. Good playgrounds and good activities for the children. I think the councilwoman saw that in the redevelopment of Dana Strand. There was an effort to provide good

protected green space for the children at Dana Strand and that seems to work well.

Chairwoman WATERS. That is good. Well, I thank you, Mr. Montiel. I thank all of our panelists for your testimony. Mr. Montiel, you are going to stay with us?

Mr. MONTIEL. Yes, ma'am. I will be here all afternoon.

Chairwoman WATERS. We are going to call up our second panel. The Chair notes that some Members may have additional questions for you. Without objection, the hearing record will remain open for 30 days for our Members to submit written questions to these witnesses and to place their responses in the record. Thank you, panel.

We will call on our second panel at this time. We basically have heard from HUD, the City of Los Angeles, the Housing Authority of the City of Los Angeles, and the Councilwoman who represents this district.

At this time we are going to hear from those people who live and/or work in the community who will share with us their understanding about what is taking place. I will introduce those witnesses to you at this time.

Mr. Keith Henderson, business manager, Jordan Downs Resident Management Corporation; Mr. Marlo Jones, resident, Jordan Downs Housing Development; Mr. Henry Broomfield, chair, Watts Neighborhood Council; Reverend Reginald A. Pope, Pastor, Bethel Missionary Baptist Church; Reverend Greg Bynum, Pastor, Lighthouse Church & Community Outreach. He is not here? All right. He is not here at this time. Mr. Oscar Neal, chair, Watts-Willowbrook Chamber of Commerce.

We are going to start with Reverend Reginald Pope, Pastor of Bethel Missionary Baptist Church. I would like to welcome all of our members of this panel with us today. We have to say certain things to go into the official record. That is why they have to keep handing me these pieces of paper. Without objection, your written statements will be made a part of the record, and you will now be recognized for 5 minutes.

Thank you, Reverend Pope.

STATEMENT OF REVEREND REGINALD A. POPE, PASTOR, BETHEL MISSIONARY BAPTIST CHURCH

Rev. POPE. Thank you.

Chairwoman WATERS. Speak right into the microphone and speak up so they can hear you way in the back, Reverend Pope.

Rev. POPE. Honorable Congresswoman Maxine Waters, members of the Subcommittee on Housing, community members and friends, my name is Reginald A. Pope, Pastor of the Bethel Missionary Baptist Church, located about one half mile from the Jordan Downs Housing Facility.

As a person who has served this community over the past 32 years, I am very concerned about the possibility of the Jordan Downs Housing Projects being redeveloped. Rumor has it that plans are being made to completely redevelop the area and, if so, it is vitally important that all entities in the community have a say in the planning process. Redevelopment will affect families of our congregation who reside in the complex, our church itself which

nurtures those families, and the entire atmosphere of the community.

Therefore, let it be known for certainty if redevelopment is being planned, who are the persons doing the planning, what efforts have been made to adequately inform and involve the entire community, what will happen to the residents of the complex, what will replace the facility, and what are the timelines for beginning and completion of the project?

Madam Chairwoman, thank you for allowing me to speak today.

[The prepared statement of Reverend Pope can be found on page 56 of the appendix.]

Chairwoman WATERS. Thank you very much, Reverend Pope. I know that you have a previous commitment and that you won't be able to stay. While I am thanking you for your testimony, let me thank you for your love of this community, your service to the community, and the open doors of your church that we all visit on a regular basis and I will be with you for this, I think, weekend where the conference takes place. We depend on you. My last appreciation is about the transportation that you have provided for the attempts that we have made to do job training with the fiber optics class. I want to tell you that was very much needed and appreciated by all who were the beneficiaries. Thank you so much, Reverend Pope.

Rev. POPE. Thank you very much.

Our next panelist will be Mr. Keith Henderson, the Business Manager, Jordan Downs Resident Management Corporation.

STATEMENT OF KEITH HENDERSON, BUSINESS MANAGER, JORDAN DOWNS RESIDENT MANAGEMENT CORPORATION

Mr. HENDERSON. Good afternoon, Congresswoman Maxine Waters.

Chairwoman WATERS. Good afternoon.

Mr. HENDERSON. We welcome you with firm handshakes and open arms. My name is Keith Henderson, and I am the business manager of the Jordan Downs Resident Management Corporation (RMC). I was elected 3 years ago by the residents to represent the residents of the housing development. What I do as part of the RMC is address concerns of the residents and take those concerns to the Housing Authority of the City of Los Angeles. We also plan events for the residents of Jordan Downs with the help of the City of Los Angeles Department of Recreation and Parks and the Los Angeles WorkSource Center.

Today, I am here to speak about the redevelopment process of Jordan Downs Housing Development and all the issues attached to it. As far as what I know about the situation, I do not know anything yet about any plans to redevelop Jordan Downs. However, I have heard many things about it, such as talk about tearing down all 700 units and building half of them back, leaving the other half of the residents to fend for themselves. But if and when I get information as a community leader, I am the first one to let the community know.

I feel that there needs to be beautification such as painting the inside and outside of the dwellings. This will improve the look of Jordan Downs so it will not look so much like a Federal peniten-

tiary. Now, as far as redevelopment goes, redevelopment can be anything from breaking down bricks to adding a fishing pond in the park. We, as the RMC, do not know what is really going on but we are obligated to ask and do all the work necessary to become well-informed. We are here to listen and see what happens next.

I personally would like to see the factory adjacent to Jordan Downs torn down so we can improve the overall look because it is located literally in the middle of Jordan Downs. But the main issue to me is if we can't break down the issues going on inside the development right now, then rebuilding will be useless because we will have the same issues after the overall redevelopment.

In other words, it would be like a new house with old plumbing. These issues I speak of range from the high unemployment rate to Black on Black crime, Brown on Black crime, police harassment of residents, as well as the new gang injunction which I believe is unjust and discriminates based on race.

Lastly, I would add if anything has materialized, as far as any redevelopment plans, then as a board member I would have to ask that whomever is doing the redevelopment that we immediately be informed and have monthly meetings telling us what is going to happen, who is involved, who is responsible for what, and what is to come in the future. Most importantly, if there are any jobs involved at any level, residents should be given first opportunity for those jobs.

Also, if there are any plans to temporarily relocate residents, they should remain in the community and be give the first opportunity to return to Jordan Downs. And of the utmost concern to me, if there are any plans developed, I would hope no units are reduced. If anything there should be more units.

Thank you again, Congresswoman Waters, for having me testify here today.

[The prepared statement of Mr. Henderson can be found on page 42 of the appendix.]

Chairwoman WATERS. Thank you so much Mr. Henderson, not only for being here today, but for your leadership. My staff and others all know of what you are doing and we appreciate it very much. I am sure the residents here appreciate the kind of leadership that you are providing as the business manager. Thank you.

Next I am going to call on Mr. Marlo Jones, fondly known as Bow Wow. I thank you for being here today, Mr. Jones, but I thank you more for the work that you do on preventing gang violence. Thank you for the work that you do with Mr. Greg Thomas and the CUSH organization. I welcome you and your comments and your thoughts about this rumored redevelopment.

STATEMENT OF MARLO JONES, RESIDENT, JORDAN DOWNS HOUSING DEVELOPMENT

Mr. JONES. Good morning, Congresswoman Maxine Waters, and committee members. My name is Marlo Jones aka (Bow Wow), and I have been the gang intervention specialist for Jordan Downs Housing Development for the past 4 years. As you know, the 700 units in Jordan Downs provide housing to low-income families who desperately need this assistance.

Two months ago, I attended a meeting at Jordan Downs sponsored by SCLC and other organizations. I was surprised to hear about the possible reconstruction of Jordan Downs. Why are there rumors of possibly tearing down the 700 units in Jordan Downs? What is the motive? Why is the Housing Authority picking on our projects? Why isn't the Housing Authority investing money into our projects resources instead of surveillance camera equipment? Our residents here at Jordan Downs do not have a clue or understand what is going on.

We would like to know the truth! If the residents at Jordan Downs are relocated, how and when will we find out? Will you already have a plan for relocation? Will we be relocated to Palmdale, or Lancaster, California? If so, the residents will face many inconveniences, such as housing, transportation, and law enforcement problems. What finances will be provided to the residents when and if relocated? Finances such as monies for higher rent, for moving, for transportation costs to stay connected to family and friends? Our supermarkets, schools, laundromats, and other stores are conveniently located near our homes.

How do you adapt, moving residents who receive county aid and other services to a new area outside Los Angeles? It is very traumatic moving from a mini-community like Jordan Downs to a desert like Palmdale or Lancaster. The residents need leadership if all the residents are relocated to another area—

Chairwoman WATERS. Excuse me one moment, Mr. Jones. Slow down a little bit. Our translator is trying to keep up with you. Our recorder is trying to keep up with you, so slow down just a little bit.

Mr. JONES. Okay. If all of the residents are relocated to another area, the services that they receive will no longer be available to the people who need the help. I feel that the people in the community of Jordan Downs will be harmed and feel rejected. I would like to end with, please be conscientious when making all your decisions. We are underprivileged humans already.

Thank you for your time and consideration to our concerns and thank you, Congresswoman Waters, for having me today.

[The prepared statement of Mr. Jones can be found on page 49 of the appendix.]

Chairwoman WATERS. Thank you very much for being here.

All right. We have Mr. Henry Broomfield, the chair of the Watts Neighborhood Council. I want to thank you for your service. I appreciate those persons who take time out of their lives to provide leadership for the community. It is not easy. I know that but those of you who decide to do it are very much appreciated and I thank you for it.

Mr. Broomfield, please share with us your testimony for today.

STATEMENT OF HENRY BROOMFIELD, CHAIR, WATTS NEIGHBORHOOD COUNCIL

Mr. BROOMFIELD. Good morning, Congresswoman Waters, and committee members. My name is Henry Broomfield, and I am the chair of the Watts Neighborhood Council. I am here today to express the thoughts and concerns of the Council and the community that we represent.

First, I want to thank Congresswoman Waters for having the foresight to hold this hearing right here in the community and for making sure that members of the community have the opportunity to address this issue that is so important to them.

As a Council, we have heard concerns and had questions about the possible redevelopment of Jordan Downs at almost every monthly meeting. People are scared, nervous, and dismayed because of all the rumors floating around our community. We want to know what the City is planning. Are they planning to remodel or tear down? If remodel, what structure will they do it in? Will it be portions that will move people to other units during the process or as a whole and re-locate everyone at the same time?

The Watts Neighborhood Council is very displeased with the Housing Authority because they have allowed so many rumors to go unchecked for so long. In their consideration of redeveloping housing projects in South Central Los Angeles, they have created fear and increased distrust in the community. They have caused dismay and made it difficult for active leaders to address resident concerns. Our purpose as a Council is to bring the community together, to encourage the community to be involved. How can you do that when people don't know where they will be living month-to-month?

Most of the questions that we had have been answered. Therefore, the question is, will they be moving half of the residents to Palmdale and Lancaster, remodeling their units, and when they are done, moving them back in? Then moving the other half out to Palmdale and Lancaster and bringing them back once the second half is completed?

At the end of the statement, what I want to say is that our major concern is if it is going to be in development and when it will be in development that the community and our youth have the opportunity to have good jobs with this, not only building but clerical work and different types of work.

I want to thank you and the staff for allowing me to speak today. Thank you.

[The prepared statement of Mr. Broomfield can be found on page 38 of the appendix.]

Chairwoman WATERS. Thank you so much. I really appreciate your being here.

Next we are going to hear from Mr. Oscar Neal, chair of the Watts-Willowbrook Chamber of Commerce. Thank you again for coming. The Watts-Willowbrook Chamber of Commerce is important to us. Ms. Edna Aliewine is an old friend of mine. I can't tell you how far back we go, because then you would know how old we really are. I appreciate the time and effort that has been put in by the Watts-Willowbrook Chamber of Commerce. You never left this community. You stayed with us and I do appreciate it. Mr. Neal, we would like to hear from you.

STATEMENT OF OSCAR NEAL, CHAIR, WATTS–WILLOWBROOK CHAMBER OF COMMERCE

Mr. NEAL. Thank you, Congresswoman Waters. My name is Oscar Neal. I am the owner of Jordan's Cafe, and have been a resident of Watts since 1944, a graduate of Jordan High School, and

also the chairperson of the Watts-Willowbrook Chamber of Commerce. I became aware of rumors at the beginning of the Dana Strand which you heard kind of at the top of the meeting here. This was approximately the year 2001/2002. In turn, they tore Dana Strand completely down to the ground.

At this particular time, there were quite a few rumors that the City of Los Angeles was trying to get out of the landlord tenant business and in turn of the displacement of the residency was that they were displaced by choice throughout the United States. Some went to Texas and some went to other locations.

If the Jordan Down plan is a mirror image of the Dana Strand plan, I would say that basically you are looking at displacement and you are also looking at an impact on businesses, an impact on the schools, and also an impact on the churches because there will be a certain amount of vacancies that will happen.

At that particular time, for some reason I don't know, and I thought that basically the other public housing units throughout the Los Angeles area was informed as to what was going on in Wilmington in reference to Dana Strand. The Dana Strand project I am sure one of the representatives that was up here earlier would be able to give you the information but I don't know if it has been completed. Completed means whether the tenants have been able to move in.

I think we heard there were something like 700 tenants and after the redevelopment there were something like 400. Again, that was the beginning of the rumors that I heard.

As far as the redevelopment, one of the things we have to realize in the Los Angeles area, vacant space in Los Angeles is very, very competitive because on one side you have the school system that I think is trying to build 14 new schools and on this side you have redevelopment of public housing in Los Angeles.

The interesting thing that I heard earlier was that if we have 200 vacancies in Jordan Downs, the displacement of people from Nickerson—I mean from Jordan Downs. If we have 200 vacancies in Nickerson, could we kind of compromise and can we fix it up? I don't know. That is just a question.

The other thing that happens is that housing in the Watts area 1,800 square feet is selling for near $400,000, which means that you are talking about a household income of $120,000. I think along with redevelopment means upward mobility which means we are talking about people who should be making in excess of $20 an hour. I think if we are looking at that, the timeline of completion if we started today, I am sure we are looking at 7 years before the project would be completed.

We are talking about a vacuum of 6 years. In turn, there should be a certain amount of training that is done. Then there should also be looked into a forgiving system. A forgiving system might be one where we know that we have a substance problem in the United States. It might be that there is a job that comes available and I didn't pass the test but I should be allowed to go back 3 months or 6 months to reapply for the job and see if I quality. I think with the redevelopment you are looking at many different aspects that impact the community.

Certainly once the redevelopment process starts, if it happens, we would have more spendable income in the area. We would have a certain degree of pride of ownership. Again, my statement to the committee is one basically that the rumors started basically back in 2001 as far as I am concerned.

Again, I would like to thank the committee for allowing me to have a few minutes to speak.

[The prepared statement of Mr. Neal can be found on page 55 of the appendix.]

Chairwoman WATERS. Thank you so very much, Mr. Neal. How old is the restaurant?

Mr. NEAL. We opened in 1942.

Chairwoman WATERS. Wow.

Mr. NEAL. We have been around a long time. I graduated from Jordan High School in 1955 and I went to my 50th high school reunion in 2005.

Chairwoman WATERS. Wow. That is what you call commitment. Thank you very much.

Chairwoman WATERS. I will take a few minutes to ask a few questions of our witnesses who appeared before us today.

Mr. Henderson, would you take a moment and describe for me the kind of fear and uncertainty that you and others have alluded to because of the rumors. What is it people say? How do they express their concern?

Mr. HENDERSON. Well, basically, Congresswoman, the fear and uncertainty comes from actually not knowing. The thing is when they toss around "redevelopment" so loosely, redevelopment can be anything. The first thing that the average person thinks about, though, is basically tearing down the bricks. Like I said, it can be anything from painting the inside and outside dwelling to adding a fishing pond. That is what redevelopment means. It has a lot of commas up under it.

I don't want anybody to actually get scared, but they have to be aware of what is really going on because eventually, if the land hasn't been acquired, it will be. We just need to be prepared as residents to basically step up. When I say step up, I mean on a whole other level, a financial level. A lot of people's credit is not good so the fear and uncertainty come from actually just living.

Some people made bad decisions in their lives that they are trying to basically recant for right now so that is what I mean by the whole uncertainty of it. The average person feels that they might get relocated to the valley, you know. That is not cool. My thing is I have been around for 20-plus years here. I don't know if that is a blessing or a curse.

I would call it a blessing, you know, thanks to my mom and my grandmother and all that. Basically I grew up looking at everything that has happened from the respect level of the youngsters to the disrespect level of the youngsters today. It is all based on if we have our stuff really together then we should be able to elevate.

Chairwoman WATERS. Have you thought about the best way to disseminate information and keep people involved with the facts so that the rumors don't create all of the fear and uncertainty? Have you thought about what the housing authority can do to create the

kind of communication with the residents that will keep them updated with facts?

Mr. HENDERSON. Well, the first thing that I can actually say about that is as the RMC, we need to establish a Web site. Everything is becoming digital now. Everybody is using computers but through the old way how we normally do we normally flyer the neighborhood. For the most part we do have a positive turnout but we have to recognize that some of our youth and some of the parents of the youth are actually working so they can't attend certain meetings. Do you know what I am saying?

So the Web site is the first thing that I can think about that would actually be updated with the truth. I don't know who is going to establish it. I would head that but I need to find out how to go about basically maintaining it and getting the truth from these top people because as a board like basically we are on the totem pole. We are on the bottom of it as far as with politics. I feel that with the proper education and all that, we can be vastly brought up to standard so we as a board, me, Sandra, Claudia Moore, Michael Augustine, we can actually get it out to the people fast because it is a necessity to know and not have people running around here like chickens with their heads cut off, per se.

Chairwoman WATERS. Mr. Broomfield, thus far we have had Mr. Montiel here, and I have tried to ask him as many direct questions as I could think of to deal with the rumors. Do you think that some of the rumors have been cleared up with his testimony today?

Mr. BROOMFIELD. Yes, ma'am. I think all the rumors have been cleared up. We know there is no project on the table at this time.

Chairwoman WATERS. I am sorry. Somebody is asking you to speak up.

Mr. BROOMFIELD. Yes, ma'am. Things have been cleared up for me today. A lot of the questions I had were about how they were going to proceed on the project. I know now there is no project, and I know there is no funding for a project, so all the rumors that have been spread around have just been rumors.

Chairwoman WATERS. That is right. Mr. Broomfield, I just had some advice about how to communicate better. The Web site which I think is absolutely good thinking based on the dependence on new technology and the fact that people are involved in that. Do you have any other thoughts about how there could be better communication with the housing authority so that rumors could be dealt with quickly and facts could be disseminated quickly so that people don't go around in fear that they are going to get shipped out of here to some other county and lose their ability to stay in their units. Do you have any thoughts about what else could be done?

Mr. BROOMFIELD. Yes, ma'am. I do. Myself and my co-chair, Betty Day, we are forming a Web site. Not only are we forming a Web site, but we have a newsletter called the "Watts Voice." We are sending information out to the community each and every month. We are in the process of building our Web site now as this gentleman next to me, Mr. Henderson, stated, and that is what it is going to take to get the word out. We are not going to be able to stop all the rumors but attend more meetings in the community,

more organizations in the community come together as one so we can go back to our people and tell them this is true and this is not.

Chairwoman WATERS. Thank you. Is Ms. Betty Day in the audience? Would you please stand up? We want to say thank you for your service and your work also. I think the Web site is a good idea. Knowing what I know about you, even if you had no Web site, you would still get the word out if you can. I know you, Betty Day. Okay.

All right. Let me ask Mr. Jones, has this hearing been helpful in answering some of the questions that you have heard out in the community about what is going on? Has this helped at all?

Mr. JONES. Yes. It cleared up a lot of rumors. This is much needed by the people, as far as myself, too. The answers to the questions were right on point. By the time the day is over with, there will be more rumors about the facts.

Chairwoman WATERS. Rumors about the facts?

Mr. JONES. Rumors about the facts.

Chairwoman WATERS. Do you have any thoughts about how we can create better communication to keep the rumors at bay and get the facts out? What else can we do? What else can the housing authority do?

Mr. JONES. I mean, set up a committee as far as possibly have some meetings for updates on the redevelopment process.

Chairwoman WATERS. Mr. Henderson, you have a number of officers that are in the corporation, the resident management corporation. Are they in the room today?

Mr. HENDERSON. Yes. We have my president, Cassandra Savage. She is here.

Chairwoman WATERS. Hello. Good to see you. Will all of the officers of the Resident Management Corporation please stand. Who else is in the room?

Mr. HENDERSON. Ms. Moore. I don't know if Claudia Moore is here, but if she is not here, she is definitely here in spirit, because she has been down so we do want to give a hand clap for her, too.

Chairwoman WATERS. There is Claudia. Stand up Claudia Moore. That is one of my old friends. She started out with us at Project Build. How many years ago, Claudia?

Ms. MOORE. It has been a long time.

Chairwoman WATERS. Go ahead and tell them. You don't want them to know how old you are—35 years ago we started. It is good to see you. Thank you.

All right. Is it possible that you could think about the corporation in conjunction with some others maybe in the community setting up a regular communication about this issue in addition to all the other issues you talk about but simply an ongoing update on the development question. Is that possible?

Mr. HENDERSON. Yes, everything is possible. The thing is we have to have information to do it. As long as that happens, as long as that is getting basically handed to us, then us as a community and as a board we are obligated to give it out to the public and that is where everybody in the neighborhood who don't really pay attention to politics—it is a way of speaking on both levels. Basically politicking is this right here but we still have the brothers

and sisters who don't pay any attention to politics, so we still have a way to communicate with them, too.

Also, Chairwoman Waters, I want to mention one more member on my board, Clara Niece Moore. She has been sick. That is what I was talking about. She has been sick and down so I would just like to say get well soon and we will see you, you know.

Chairwoman WATERS. Absolutely. Our thoughts go out to her. We want her to get well and we appreciate her volunteering and her help in helping to make Jordan Downs the best we can possibly make it.

Mr. Neal, do you have any other ideas? You see people all the time. They are in and out and the restaurant is where conversation goes on. Do you have any thoughts about how we can better communicate?

Mr. NEAL. I think that inclusive of all of the public housing, I think if all of them communicate, we can put to rest not only rumors at Jordan Downs but rumors there are only 200 vacancies. You know, that is a lot of questioning right there. How can you have 200 vacancies? That is what started it. When people start seeing things being boarded up, they think the City is planning on making some drastic moves and there are a lot of boarded up places in Jordan Downs. I think the thing about it is networking and communication between all areas, all organizations that represent the Watts-Willowbrook area. I think if they communicate a little bit, we can dispel a lot of rumors.

Chairwoman WATERS. Thank you very much. I would like to thank this panel for coming out today and for sharing with us information that I think is very helpful not only to the housing authority but for those of us who have the responsibility for public policy in Washington, D.C.

I am going to deviate a bit from the normal way that these kinds of hearings are done in Washington, and I am going to ask some questions of the audience. I have to also put something in the record. We note that some Members who are not here today, Members of Congress, may have additional questions for this panel which they may wish to submit in writing. Without objection, the hearing record will remain open for 30 days for Members to submit written questions to these witnesses and to place their responses in the record.

Before I dismiss the panel, I want to address the audience. I would like to see the hands of people who actually live in Jordan Downs. Great response and great participation, and I am so very pleased that you are here.

I would also like to ask the audience by way of show of hands how many people have been frightened by the rumors that you have heard. I am going to ask some general questions of the entire audience in the way that I just asked those two. Do you believe there is room for development at Jordan Downs? Do you think this is something that may be needed that could possibly help Jordan Downs? What do you think?

How many people think that based on what you heard, that if the land was acquired, the new buildings went up, the people from the old buildings moved into the new buildings on a phased-in basis, and that it is one-for-one replacement and everybody who

lives in Jordan Downs would have an opportunity to live in the new building, how many people think that is a worthwhile project?

How many people trust that the housing authority can really get that done? How many people would be willing to be involved in helping to make decisions about any proposed development such as whether or not there would be more density, as you heard alluded to, how much green space there should be, whether or not there should be a 3- or 4-story building, whether or not, whether or not. How many people believe that it is important to be involved in that kind of planning and would be willing to do it?

How many people believe that you can make the final decision about any development? Not simply the size of the development, the architecture design, the green space, but you can decide whether or not there is any development or not? How many people believe that?

How many people know and understand that it is your right to decide whether or not there is a kind of development that has been talked about? How many people would be willing to get the information, look at it, and say, "I don't like it. I don't think it works." Or to say, "I kind of like this. I think it has possibilities. I think it works and I want to work with it." How many people are willing to go along and either support or not support? How many people?

How many people feel just a little bit better today because of this hearing? How many people know and understand that unless you are involved, and unless you make this decision, Maxine Waters doesn't intend that they get a dime from Washington or anyplace else? How many people can understand that?

Okay. What we are going to do is, we are going to ask Mr. Montiel to come back up. Thank you for being here, Mr. Montiel. Give him a big round of applause. Now, I'm going to ask Mr. Montiel to do something that I think is very, very easy to do. I would like you to get with our panelists who have participated here today and the management corporation, which includes Mr. Pope, Mr. Neal, etc., CUSH and Mr. Jones, etc.—everybody—Mr. Broomfield. Come up with a way by which you can have an ongoing meeting or meetings to keep them informed and updated on every step that has been thought about. Can you do that? Would you be willing to participate in some kind of ongoing interface with Mr. Montiel? All right.

Mr. Montiel, we know that as in any organization you have a lot of personnel and they are assigned to do a lot of things but I am going to ask you to do me a favor. For the first three meetings, I want you there. Can you do that?

Mr. MONTIEL. I can do that.

Chairwoman WATERS. All right. Okay. Then after those three, if the people you are meeting with feel as if you don't have to be there, that you can send someone, would you allow them to decide that?

Mr. MONTIEL. Absolutely.

Chairwoman WATERS. All right. Do you think we can do this? All right. I forgot to mention before we go that a young councilman from Compton is so interested in what is happening not only here at Jordan but with all of the public housing developments through-

out the City that he came today. Please welcome Councilman Isadore Hall.

This hearing has drawn a lot of attention. Just as you saw Mr. Parks here, we have another candidate who is running for the State Senate, who was in one of those caucuses this morning, and the last thing he said to me when I left is, "I am coming too." He is in the back of the room, Mr. Roderick Wright.

Now, I like the idea that elected officials are showing up because we must all be held accountable. We must all be held accountable. We know that sometimes life is a little bit difficult and it is not what most of us would like to have. Sometimes we have to roll with the punches. We have to live with some of the cards that are dealt to us in life. Many of us believe that with self-determination, with the belief in self, with the love for family and community, we can do better. We can do better. I believe that and I know a lot of you believe that. I know that sometimes you feel as if you have been abandoned. I know that sometimes you feel as if you are being harassed.

I know that you feel that somehow the sun doesn't shine down here at Jordan Downs but I want you to know that even though you don't see everybody all the time, that we are fighting on public policy to make sure that the Federal Government understands that no matter what happens there must always be public housing units available for people in this country. We do everything that we can and we are working on the capital question that was alluded to today by Mr. Montiel to have more money for renovations and repairs to make public housing units more livable.

I wish that I had an answer for the crime that too many of us are fed up with and sick of. We know as long as we have a lot of young people who feel as if they have been dropped off of America's agenda, that they have nowhere to turn, that they have no jobs and nobody cares and they are anonymous and they can do what they want to do, we are going to have problems.

All of the elected officials have to work harder for job creation, for job training to open up opportunities. And you have to tell them if they are not in school, they better get over to the Maxine Waters Employment Preparation Center and learn something. We have some people we are going to meet with today to try and see if we can't revitalize the fiber optics training that pays so well if you get that kind of training. We want folks to try, just try.

The harder you try, the harder people around you will try. We want you to know that you have a right to be assisted by your government and some of us believe very deeply in it. We have a lot of successes. There are people in this room who started with Project Bill many years ago who own their own homes. Greg Brown, where are you? Where is Greg Brown? Greg? There is Greg. Greg started with Project Bill. He is a homeowner. He is one of the activists of the community looking out for our young people, working in several housing developments. Claudia Moore and others.

We have had successes and we have had losses. Every time I come to Jordan Downs my heart just falls because I think of High T and Ray Ray and the young people that we worked with who didn't make it. But, you know, because of the losses, that means we have to try to do better so that we prevent more losses. I want

you to know that I am proud of you just for being here today because you know what? A lot of people said that nobody would come, but look at this room; it is full.

Your presence today sends a powerful message. I want you to know that I and others are going to stay in step and in tune and at every meeting that Mr. Montiel has with those of you who are going to do the follow-up to keep up with the information about the development, I am going to have a staff person there, too. I may be in Washington, but we will have a staff person there, too.

With that, guess what? Our Congresswomen from the adjacent district just walked in the room. She, too, was at the caucus this morning where she received support for the endorsement of the Democratic Party. She was recently elected to the 37th Congressional District. As you know, that part of the District adjacent to this one was represented by Congresswoman Juanita McDonald, who passed away. Ms. Richardson was in the State legislature. She quickly moved and stepped up to the plate, and hit the ground running. She is doing a great job.

What I love about her presence on Capitol Hill is that she does not mind me crossing over the lines to work not only with Jordan but with Nickerson and Imperial Court and with Gonzaque. I don't mind her crossing over to work with Jordan and Avalon Gardens. We are working together for all of our housing developments. Welcome, Ms. Richardson. The microphone is yours.

Ms. RICHARDSON. Thank you, Congresswoman Waters. First of all, let me say that I apologize for not being here earlier. As she said, I was at a meeting and my part just finished. I just came here to say a couple of things. First, you need to know how blessed you are. Not only do you have Congresswoman Waters who represents this area, but she is actually the chairwoman of the subcommittee. Why that is important to you is by her being chairwoman, any and everything that we can possibly get to enhance this community, she is in the position to make that happen, so let us give her a round of applause.

I just want to say that I have been fortunate, as you have been, to learn from the Congresswoman. What happens in these developments here are very important to us. We need to make sure that as funds now become available, as we hopefully have a new Administration coming forward, that we need to make sure that all of you who have stuck in here with us at Jordan Downs, that the enhancements and the improvements that have been long overdue do, in fact, happen.

You just need to know, as she said, she may be in Washington, but she has a very close and watchful eye on what is happening here. She fought that with the new legislation that was passed that there would be community participation, which is what you are seeing right now. She fought to ensure that as we make improvements, there will still be homes and places for people to go. Those are all things that she made sure happened.

In other places across the country, it was very common that if improvements were done, people would be sent away. I know rumors in my area said that old people are going to Palmdale or they are going to Antelope Valley. Your Congresswoman has made sure that enhancements are done in a phased way so that way our fami-

lies can still stay together. I am just here to say that I am working with her. I have her back. I have enjoyed learning from her and we are going to make sure that you are well taken care of. Thank you very much.

Chairwoman WATERS. Thank you very much. I want you to know that when I told Mr. Montiel that all I could produce for today was water, he said, "Don't worry. I have the food." We have food for everybody before you leave here today.

I would like to thank all of the staff people who are here and I would like them to come down front. Would all the staff people come down front. Okay. Is Mr. Mikael Moore in the room? I would like Mr. Mikael Moore to step out here. This is a young man who graduated from Morehouse and is working on the Hill as my chief of staff. He is doing a fabulous job on Capitol Hill. Give him a big round of applause.

I also want you to know with the new committee assignment that I have, I was able to get new staff. It is very hard to find experts dealing with everything from CDBG to Section 108 loan guarantee programs or to all of the activities of HUD including HOPE VI, all of that. I found a young woman who is one of the smartest young consultants I have ever met in life, and I want you to welcome Charla Ouertatani, from Washington, D.C.

We also have with us another young lady whom I think may be in this part of Los Angeles for the first time, who works on the committee, Ms. Gisele Roget. Thank you very much for being here.

Right here in Los Angeles, working out of the district office, we have Ms. Blanca Jimenez. Blanca, please raise your hand.

Where is Ms. April Lawrence? Step right up, Ms. April Lawrence. Mr. Edgar Saenz. You heard some reference to Playa Vista. We have a huge district. Most people don't know the boundaries of our districts. We include not only parts of South Central and Watts. We share Watts, the two of us.

I have parts of South Central Los Angeles. I have the cities of Inglewood, Hawthorne, Gardena, Lawndale, and I have all of Playa Vista and all of the airport so we cover quite a bit of territory in this district.

Also we have Anjelica. Would you please step out there? Marty Moore, please step out. Michelle, please step out.

I want you to know that these young people, or these people young and not so young, most of them are pretty young, are hired by you. You are the taxpayers. You are the folks who caused them to be able to have their job. You may call our office to ask us questions about anything. We do constituent complaints. We help people work out Social Security problems. We do mostly Federal work. A lot of times people will call us about city council work or State legislature work and we will tell you where who to contact.

On the Federal level, we are dealing with people who are incarcerated and people who are trying to get people moved closer to them. We are dealing with Social Security problems. We are dealing with all of those problems that are under our Federal jurisdiction. We will be working on the No Child Left Behind legislation that a lot of you are concerned about, so feel free to call us and to call Laura Richardson. We will do everything that we can to

truly be your representatives in Washington. Thank you for being here today. You make me proud. This meeting is adjourned.

[Whereupon, at 1:00 p.m., the hearing was adjourned.]

A P P E N D I X

March 15, 2008

WRITTEN STATEMENT OF

DOMINIQUE BLOM
DEPUTY ASSISTANT SECRETARY
OFFICE OF PUBLIC HOUSING INVESTMENTS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

LOS ANGELES FIELD HEARING ON

"REDEVELOPING PUBLIC HOUSING OUTSIDE OF HOPE VI: POTENTIAL IMPACTS ON THE COMMUNITY AND RESIDENTS OF JORDAN DOWNS"

BEFORE THE

HOUSE SUBCOMMITTEE ON HOUSING AND COMMUNITY OPPORTUNITY

U.S. HOUSE OF REPRESENTATIVES

March 15, 2008

Good morning Chairwoman Waters. I am Dominique Blom, the Deputy Assistant Secretary for the Office of Public Housing Investments at the U.S. Department of Housing and Urban Development (HUD). Thank you for inviting me to testify today.

The Administration is strongly committed to providing safe, decent, and affordable public housing to those citizens least able to care for themselves and recognizes the contribution made by the HOPE VI program toward the revitalization of public housing. However, the program has proven over time to be less cost-effective and efficient than other public housing programs. In fact, the last five Administration budgets have proposed to terminate the program in favor of more efficient and cost-effective programs. In addition to these issues, the program is not available or appropriate for all public housing revitalization efforts.

The four most significant funding alternatives to the HOPE VI revitalization program operated by the Department are: HOPE VI demolition only grants, the Mixed-Finance Public Housing Program, the Capital Fund Financing Program, and the Public Housing Mortgage Program.

HOPE VI demolition only grants provide housing agencies with resources to raze distressed developments and relocate impacted families. The result is a cleared site that more readily attracts resources for the revitalization of the project. These grants are an especially important resource for housing agencies that do not have a HOPE VI revitalization grant, but do have access to other funding sources such as Low Income Housing Tax Credits (LIHTCs). Without funding for demolition, a housing authority's ability to use LIHTCs combined with its Public Housing Capital Funds becomes limited.

Since 1996, HUD has provided over $395 million in demolition only funds across 127 public housing agencies. In the case of the Dana Strand site, the Housing Authority of the City of Los Angeles (HACLA) applied five times for a HOPE VI revitalization grant and was denied each time. However, the agency was awarded a $3.2 million demolition only grant in 2001. Demolition was completed in 2003, and the cleared site attracted approximately $54 million in redevelopment funding. This funding was used by HACLA to build 236 public housing and tax credit units for low-income families.

The Mixed-Finance Public Housing Program, which was used to redevelop Dana Strand, allows HUD and PHAs to mix public, private and non-profit funds to develop and operate housing developments. New developments may be comprised of a variety of housing types: rental, homeownership, market rate, affordable and public housing. These communities are built for residents with a wide range of incomes and are designed to fit into the surrounding community.

Since 1996, public housing agencies have used the Mixed-Finance Public Housing Program to fund projects for the redevelopment of public housing properties and construction of affordable housing. The financing deals for these developments routinely include multiple funding sources such as state and private mortgage debt, HUD's Capital Fund grants and LIHTCs.

Public housing authorities (PHA) are eligible to apply for LIHTCs, and the program requirements for this funding source are consistent with the mission of these agencies. PHAs can use LIHTCs to both increase the supply of affordable housing in their community and to revitalize existing developments that are obsolescent or distressed.

To date, PHA participation in the LIHTC program has been limited, but diverse. As of 2005, approximately 230 PHAs across 44 states, the District of Columbia and Puerto Rico, had developed or were developing 775 tax credit projects for the construction of 97,930 units. This represents approximately 9% of all tax credit units developed, 3% of all tax credit projects, and 7% of all PHAs in the United States.

Projects involve both 9% tax credits and 4% tax credits with bonds, and include new construction as well as the redevelopment of existing properties. Two-thirds (66%) of the units developed by PHAs are new construction, versus 54% for the universe of LIHTC projects. The balance of remaining projects is for rehabilitation of existing developments, with less than 2% including a combination of new construction and rehabilitation. These projects vary in size, with the smallest project comprising only five units and the largest 475 units.

The third alternative program available through the Department for public housing agencies to redevelop public housing is the Capital Fund Financing Program (CFFP). This program allows PHAs to borrow from banks or issue bonds using their Capital Fund grants as collateral for debt service, subject to annual appropriations. In this way, public housing agencies are able to leverage up to one third of their Capital Funds provided by the Department to complete modernization now that would otherwise be postponed well into the future or to completely redevelop seriously distressed properties. As of December 31, 2007, HUD approved 106 transactions in which a total of 186 PHAs are participating. The total amount of loan and bond financing approved through December 31, 2007 exceeds $3 billion.

For example, Oxnard and Santa Clara housing authorities raised in excess of $10 million in bond financing. More recently, the Department also approved a CFFP for the Kern County, CA Housing Authority, which undertook a direct loan in excess of $6 million.

In addition to these resources, HUD recently established the Public Housing Mortgage Program. This program allows public housing agencies to borrow funds for affordable housing purposes by providing a mortgage on public housing real estate. The most recently approved transaction under this program allowed the Tacoma Housing Authority to mortgage public housing land to facilitate a $16 million bridge loan for infrastructure development. This investment was combined with additional funds that will ultimately yield over 360 affordable homeownership and rental units.

The primary reasons for housing agencies to pursue non-HOPE VI revitalization funds are: the scarcity of HOPE VI revitalization grant funds (with approximately six grants awarded each year under current funding levels), the planning costs and time involved in submitting a HOPE VI revitalization grant application, and the belief that the project would not be competitive for HOPE VI funding. Non-HOPE VI revitalization funding provides a range of viable funding alternatives for public housing agencies unable or uninterested in securing HOPE VI revitalization funding.

Although these alternative funding sources do not provide dedicated resources for Community and Supportive Services, the Department operates several programs that public housing authorities can draw on to support these activities, such as the Resident Opportunities and Self-Sufficiency Grant Program and the Family Self-Sufficiency Program. Moreover, resident and community involvement is a required component across each of the funding streams I have discussed today.

Despite the smaller scale of non-HOPE VI revitalization projects, the spillover impacts on the surrounding neighborhood are similar to those documented under the HOPE VI program. These efforts tend to result in higher quality housing, a lower crime rate, increased property values and business development in the surrounding neighborhood.

Thank you for the opportunity to discuss non-HOPE VI revitalization programs operated by HUD. As I mentioned earlier, the Administration has proposed to eliminate the HOPE VI program in favor of more efficient and cost-effective programs. We believe that the programs I have outlined today are important alternatives to the HOPE VI program and invaluable resources to public housing agencies in their efforts to improve the quality and quantity of affordable housing in their communities. I am happy to respond to any questions that you might have.

Watts Neighborhood Council
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Vice Chairperson (Recreation, Culture & the Arts)
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Corresponding Secretary (Education)
Sharron Haynes

Communication Secretary (Area 1)
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Youth
Vacant

March 15, 2008

House Committee on Financial Services
Subcommittee on Housing and Community Opportunity
Congresswoman Maxine Waters, Chair

Testimony for the Congressional Hearing on the Redevelopment of Jordan Downs

Good Morning Congresswoman Waters and committee members,

My name is Henry Broomfield. I am the Chair of the Watts Neighborhood Council and am here today to express the thoughts and concerns of the Council and the community that we represent.

I want to thank Congresswoman Waters for having the foresight to hold this Hearing right here in the community and for making sure that members of the community have the opportunity to address this issue that is so important to them.

As a Council we have heard concerns and had questions about the possible redevelopment of Jordan Downs at almost every monthly meeting. People are scared, nervous and dismayed because of all the rumors floating around our community. We want to know what the City is planning. Are they planning to remodel or tear down? If remodel, what structure will they do it in? Will it be portions that will move people to other units during the process or as a whole and re-locate everyone at the same time?

The Watts Neighborhood Council is very displeased with the Housing Authority because they have allowed so many rumors to go unchecked for so long. In their consideration of redeveloping housing projects in South Central Los Angeles they have created fear and increased distrust in the community. They've caused dismay and made it difficult for active leaders to address resident concerns. Our purpose as a Council is to bring the community together, to encourage the community to be involved. How can you do that when people don't know where they'll be living month-to-month?

Watts Neighborhood Council ** PO Box 72056 ** 10221 Compton Ave., Suite 106A ** Los Angeles, CA 90002
Email: wattsnc@sbcglobal.net Phone: 323-564-0260

We have heard rumors that the Housing Authority would move half of the residents to Palmdale and Lancaster, remodel their units and when they're done move them back in. Then move the other half out to Palmdale and Lancaster and bring them back once the second half was completed. We have serious concerns that once people are relocated so far away they won't be given the "Right to Return." We would prefer re-development be done in parcels NOT in whole. Our community is reluctant to trust leaving their homes in one fell swoop.

We want full and complete replacement of all housing. We will not agree with the displacement of any of the residents. There are too many homeless people in Los Angeles and a huge shortage of housing that people can afford. To reduce the amount of housing that people can honestly afford would be a crime against this community.

Once the decision is made on how this is going to be done we would like to be kept informed on how it proceeds step-by-step at every phase of the project and the community must be consulted on any changes made.

We would also like to see residents and community stakeholders employed in this process. We are sure that any redevelopment of such a large scale will create all kinds of jobs. Members of our community have skills that would benefit this project. We want to see our adults and youth in offices doing clerical work and on the site building buildings. We want to see them in living wage jobs and we want training programs to prepare them for these jobs BEFORE they become available. Giving youth the opportunity to rebuild their own homes and create their community will provide them with a level of pride that will deter them from gangs and crime.

We encourage any redevelopment that beautifies the community, provides employment and other opportunities to the community and does not displace the community.

Respectfully Submitted,

Henry Broomfield

Henry Broomfield, Chairperson
Watts Neighborhood Council

Watts Neighborhood Council ** PO Box 72056 ** 10221 Compton Ave., Suite 106A ** Los Angeles, CA 90002
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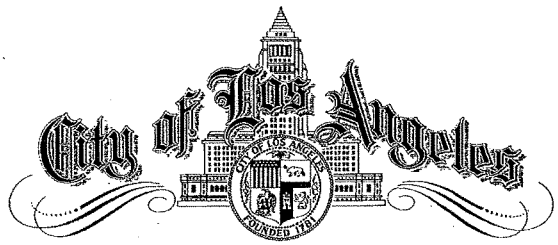

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Councilwoman
Fifteenth District

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March 14, 2008

The Honorable Maxine Waters
Congresswoman, District 35
10124 S. Broadway, #1
Los Angeles, CA 9003

Dear Congresswoman Waters:

I would like to commend you for holding a hearing on behalf of the Subcommittee on Housing and Community Opportunity in the Jordan Downs Development. I understand there are extreme difficulties and challenges that are presented in the creation of affordable housing. Creating new jobs, new housing, and safe communities have been my main goals since I was elected to represent this community in 2001.

I have more housing developments in my council district than any other council district in the city. Most of these developments are some of the oldest public housing stock in the city. I think that the federal government has neglected these developments in many ways and the constituents of my district deserve better.

1) The idea of redeveloping any of our public housing developments is very unnerving to many people—particularly the residents. Because of that, I will only support a redevelopment that builds replacement housing before any current housing is demolished. This, in my opinion, is the only acceptable way to go about the redevelopment; and because of that, the acquisition of new land near Jordan Downs is vital to any plans for redevelopment.

2) The main principle for redeveloping Jordan Downs is to revitalize this community. Redeveloping Jordan Downs would bring jobs, retail, and homeownership to a neighborhood that both needs and deserves these things.

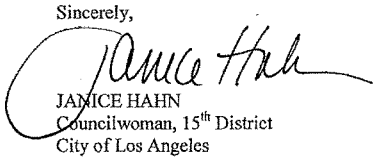
3) I have had two other successful redevelopment projects in my district, Harbor Village and Dana Strand that have been very successful. Dana Strand in the Wilmington, for example, is currently underway and when completed will consist of 400 units, consisting of 100 senior units, 120 town homes, 116 rental units, and a possible 77 units for homeownership.

4) I feel there could be great potential for the Jordan Downs redevelopment project if we can create a strong public and private partnership with all levels of government. The impact of this project could be a model for developments around our city, state, and country.

5) I believe the redeveloping Jordan Downs will require an equal partnership with the community, all levels of government, and private entities to create a transparent process to make this project a success. Most importantly, we must include the current residents of Jordan Downs. Oftentimes, they are the last to get information and weigh in on the decisions that most impact their lives. The residents of Jordan Downs must be included in this process from the very beginning.

Thank you again for holding this hearing and for allowing me to give my input.

Sincerely,



JANICE HAHN
Councilwoman, 15th District
City of Los Angeles

March 15, 2008

Congresswoman Maxine Waters, Chair
Subcommittee on Housing and Community Opportunity
U.S. House Committee on Financial Services

Testimony for Congressional Field Hearing on the Redevelopment of Jordan Downs Housing Development

Good morning Congresswoman Maxine Waters, we welcome you with firm handshakes and open arms.

My name is Keith Henderson. I am the Business Manager of the Jordan Downs Resident Management Corporation (RMC). I was elected three years ago by the residents to represent the residents of the Housing Development. What I do as part of the RMC is address concerns of the residents and take those concerns to the Housing Authority of the City of Los Angeles. We also plan events for the residents of Jordan Downs with the help of the City of Los Angeles Department of Recreation and Parks and the Los Angeles Worksource Center.

Today, I am here to speak about the redevelopment process of Jordan Downs Housing Development and all the issues attached to it. As far as what I know about the situation, I do not know anything yet about any plans to redevelop Jordan Downs. However, I have heard many things about it, such as talk about tearing down all 700 units and building half of them back, leaving the other half of the residents to fend for themselves. But if and when I get information as a community leader I am the first one to let the community know.

As far as any plans for redevelopment, I feel there needs to be beautification such as anything from breaking down bricks to painting the inside and outside of the dwellings. This will improve the look of Jordan Downs so it will not look so much like a federal penitentiary. We, as the RMC, do not know what is really going on but we are obligated to ask and do all the work necessary to become well informed. We are here to listen and see what happens next.

I personally would like to see the factory adjacent to Jordan Downs torn down so we can improve the overall look because it is located literally in the middle of Jordan Downs. But the main issue to me is if we can't tear down the issues going on inside the development then rebuilding will be useless because we will have the same issues before redevelopment. So it will be like a new house with old plumbing. These issues I speak of range from the high unemployment rate to Black on Black crime, Brown on Black crime, police harassment of residents, as well as the new gang injunction which I believe is unjust and discriminates based on race.

Lastly, I would add if anything has materialized, as far as any redevelopment plans, then as a board member I would have to ask that whoever is doing the redevelopment that we immediately be informed and have monthly meetings telling us what is going on, who is involved, who is responsible for what, and what is to come in the future. Most importantly, if there are any jobs involved at any level, residents should be given first opportunity for those jobs. Also, if there are any plans to temporarily relocate residents, they should remain in the community and be give the first opportunity to return to Jordan Downs. And of the utmost concern to me, if there are any plans developed; I would hope no units are reduced if anything there should be more units.

Thank you again Congresswoman Waters for having me testify here today.

Keith Henderson
Business Manager
Jordan Downs Resident Management Corporation

TESTIMONY OF
HELMI A. HISSERICH
DEPUTY MAYOR of HOUSING & ECONOMIC DEVELOPMENT POLICY

OFFICE OF THE MAYOR OF THE CITY OF LOS ANGELES

BEFORE THE
U.S. HOUSE OF REPRESENTATIVES
SUBCOMMITTEE ON HOUSING AND COMMUNITY OPPORTUNITY
OF THE COMMITTEE ON FINANCIAL SERVICES

March 15, 2008

Public Housing Redevelopment: Implications for Jordan Downs, Its Community and Residents

Jordan Downs, March 15, 2008

Helmi A. Hisserich
Deputy Mayor of Housing & Economic Development Policy
City of Los Angeles

Good morning, Chairwoman Waters,

On behalf of City of Los Angeles Mayor Antonio Villaraigosa, thank you for the opportunity to testify before you today as you consider the redevelopment of public housing. This hearing is an important opportunity to clear up confusion surrounding the redevelopment of public housing in Watts.

My name is Helmi Hisserich, and I am the Deputy Mayor for Housing and Economic Development Policy in the City of Los Angeles. On behalf of Mayor Villaraigosa, I oversee the City of Los Angeles agencies that undertake the planning and development of affordable housing in the City. These departments include: The Los Angeles Housing Department, The Community Redevelopment Agency of Los Angeles, The Department of City Planning, the Los Angeles Homeless Services Authority and the Housing Authority of Los Angeles.

One of my primary responsibilities is to ensure these City agencies are working collaboratively to achieve major housing goals of the City of Los Angeles. This collaboration includes not only agreement on broad City Wide housing goals, but also, strategic alignment of City staff and local resources to accomplish key initiatives.

I'd like to begin by outlining some of the major housing challenges confronting Los Angeles, and then spend a few minutes discussing how the Redevelopment of Public Housing fits into the overall housing plan of the City.

LA'S MAJOR HOUSING CHALLENGES

Los Angeles is in the midst of a major housing crisis.

Last July **Forbes.com** ranked Los Angeles the least affordable housing market in the United States based on a study that compared housing price to income.

Last August the **Center for Housing Policy**, ranked Los Angeles first, out of 31 metropolitan areas nationwide, as having the greatest percentage (28%) of working households in living in substandard housing or spending more than half their income on housing.

Last September **LAHSA** updated the homeless count, and found Los Angeles has the nation's largest homeless population with over 40,000 unhoused people.

An estimated 25% of Los Angeles households live in severely overcrowded conditions that are equivalent to five people living together in a one bedroom apartment.

Current rental housing vacancy rates in Los Angeles are below 5%, and in some areas they are as low as 2%. In other words, Los Angeles is fully occupied.

Due to the foreclosure crisis and tightening of the credit market, more pressure is being put on LA's already full rental housing market, and rents throughout Los Angeles are going up.

One of the reasons Los Angeles is in this crisis is because the City has not built enough housing to meet the needs of the population. In order to keep pace with population growth, the City of Los Angeles should be adding approximately 13,000 new housing units each year. However in the past 17 years, Los Angeles has only built that much housing in 2006 & 2007. For many years, Los Angeles has produced far fewer units than it needs. Not only has LA not built enough housing, the housing that has been built has been at prices few people can afford.

If we are to address the real housing need in Los Angeles we must build housing for people living on SSI, and housing for people earning $10 an hour, and housing for people earning $20 an hour. In other words, we need to build new housing in Los Angeles that is affordable to the low and moderate-income people.

The Mayor has taken a proactive position on the development of affordable housing, and our office has been actively looking for opportunities to encourage the development of new affordable and workforce housing near transit. During the past few years most of the City's housing development and investment has occurred in Downtown, Hollywood and North Hollywood. That is why when Rudy Montiel of HACLA presented the Mayor last year with the concept of redeveloping 1950's era public housing into mixed income urban villages, the idea caught the Mayor's attention. If a plan could be created that could bring investment, housing and jobs to Watts we are interested.

However, before any idea can become a reality, the funding must be identified, the community must be engaged, and a plan must be developed. That is why it is important for all of us to begin at the same place. Today, no money has been committed, and community engagement has not begun and there is no plan. But when the time comes, rest assured, community involvement will play a key role in this process.

TIMING AND COMMITMENT

Before beginning a community engagement process, the City must determine how realistic the funding sources are for the project. As you know, the Redevelopment of Public Housing hinges on the City's ability to leverage local resources with Federal, State and private sector money. Next year, HACLA intends to seek HOPE VI funding. The Mayor supports this in concept, and in anticipation, the Mayor has initiated a capital planning effort with all the departments that have housing funds (HACLA, LAHD, CRA/LA, LAHSA and CDD). The purpose of this capital plan is to identify the local, State, Federal and Private resources available to support the creation of affordable housing in Los Angeles over the next 5 years.

During the year ahead, the Mayor looks forward to working with elected and local leaders to develop a process for community engagement in Watts to determine if such a development could be implemented. We must begin with a good plan, and the plan must begin with the community.

KEY PRINCIPLES FOR REDEVELOPMENT OF PUBLIC HOUSING

After reviewing best practices throughout the country, the Mayor has drafted a set of principles, he believes are necessary for successful redevelopment of public housing.

1.) Involve the residents in the planning

The Mayor believes the planning effort should involve the people who live and work in the neighborhood. Residents should be engaged in the process from the start and throughout.

2.) Ensure no loss of public housing

One-for-one replacement of Public Housing Units is a priority, and development must be phased in a way that minimizes displacement of existing tenants. Emphasis should be placed on on-site relocation of tenants.

3.) Build a Housing Ladder

Build housing for a mix of incomes that includes public housing, affordable housing, and market rate housing. Emphasize housing for families, and make both rental and home ownership opportunities available at varying income levels. Maximize affordable housing to the greatest extent feasible.

4.) Connect to Schools and Parks

Children in the neighborhood deserve great schools and great places to play. A development effort should create a partnership with local schools, and leverage community revitalization as a way to improve local schools,

add sports amenities, create open play areas and open space, and strengthen the link between school and community.

5.) Connect to Public Transportation

New housing should create strong links to the public transportation system. Whether it's the Blue Line, the Rapid Bus, or the local buses that run through the neighborhood, development should support the bus and metro riders by creating well lit, safe access, to all public transportation.

6.) Connect to Jobs

Although housing is the anchor, this redevelopment effort must be envisioned as a chance to create an economic ladder in South Los Angeles. Permanent jobs in the growth industries must be part of the plan, along with job training, job placement, local entrepreneurship, minority contracting and employment opportunities for neighborhood residents during and after construction.

7.) Make the Neighborhood Safe

Improve public safety through design that encourages social interaction, and a builds a sense of community. Provide ongoing intervention and support for youth and teens.

8.) Make the Neighborhood Green

From solar panels to roof top gardens: new development should be model for sustainable design that will reduce the carbon footprint of LA and make the air in the neighborhood easier to breathe.

Thank you for your time.

House Committee on Financial Services
Subcommittee on Housing and Community Opportunity
Congresswoman Maxine Waters, Chair

Testimony for the Congressional Hearing on the Redevelopment of Jordan Downs

Good Morning Congresswoman Waters and Committee members,

My name is Marlo Jones Aka (Bow Wow). I am the Gang Intervention Specialist for Jordan Downs Housing Development for the past four years. As you know the 700 units in Jordan Downs provides housing to low income families who desperately need this assistance.

Two months ago I attended a meeting at Jordan Downs sponsored by SCLC and other organizations. I was surprised to hear about the possible reconstruction of Jordan Downs. Why are there rumors of possibly tearing down the 700 units in Jordan Downs? What is the motive? Why is the Housing Authority picking on our projects? Why isn't the Housing Authority investing money into our projects resources instead of surveillance camera equipment? Our residents here at Jordan Downs do not have a clue or understand what is going on.

We would like to know the truth! If the residents at Jordan Downs are relocated how and when will we find out. Will you already have a plan for relocation? Will we be relocated to Palmdale, or Lancaster, California? If so the residents will face many inconveniences, such as housing, transportation and law enforcement problems. What finances will be provided to the residents when and if relocated? Finances such as monies for higher rent, for moving, for transportation costs to stay connected to family and friends? Our supermarkets, schools, laundry mats and other stores are conveniently located near our homes.

How do you adapt, moving residents who receive county aide and other services to a new area outside Los Angeles? It is very traumatic moving from a mini-community like Jordan Downs to a desert like Palmdale or Lancaster. The residents need leadership; if all the residents are relocated to another area the services that they receive will no longer be available to the people who need the help. I feel that the people in the community of Jordan Downs will be harmed and feel rejected. I would like to end with, please be conscientious when making all your decisions we are underprivileged humans already.

Thank you for you time and consideration to our concerns and thank you Congresswoman Waters for having me today.

Marlo Jones, Resident
Jordan Downs Housing Development

TESTIMONY OF
RUDOLF C. MONTIEL P.E.
PRESIDENT AND CEO
HOUSING AUTHORITY OF THE CITY OF LOS ANGELES

BEFORE THE
U.S. HOUSE OF REPRESENTATIVES
SUBCOMMITTEE ON HOUSING AND COMMUNITY OPPORTUNITY
OF THE COMMITTEE ON FINANCIAL SERVICES

March 15, 2008

Public Housing Redevelopment: Implications for Jordan Downs, Its Community and Residents

Jordan Downs, March 15, 2008

Rudolf C. Montiel
President and CEO
HACLA

Madam Chair, thank you for the invitation to speak at today's hearing on the Housing Authority's overall redevelopment goals and the current status of our plans for revitalizing Jordan Downs.

What I would like to do today is first sketch our broad vision for Public Housing Redevelopment in Los Angeles. I shall then go on to discuss in more detail our current redevelopment plans for Jordan Downs.

Let me begin with some general remarks on the affordable housing crisis in Los Angeles. There are approximately 103,170 affordable housing units in our city, (excluding rent controlled units.) We estimate this number satisfies less than 20% of the city's affordable housing needs. This rather large gap between what we need and what we have illustrates the scope of the problem and the work we must do.

The Housing Authority currently supplies 73% or 75,400 of LA's affordable housing units. We intend to supply more. To be specific: our goal is 30,000 more affordable units within the next ten years. We intend to do this and preserve the existing supply of affordable housing units. These intentions are detailed in our soon to be initiated strategic plan. The Housing Authority will spearhead a collaborative effort to achieve this lofty goal by working closely with our city family, including the Mayor's Office, CRA, LAHSA, City Planning and LAHD all of whom are as determined as we are to bridge the gap between supply and need.

I believe the Housing Authority of the City of Los Angeles is uniquely positioned among public agencies to take the lead in addressing the city's affordable housing crisis. One of the primary reasons for this lays in our extensive landholdings.

This circumstance gives us unusual advantages in a built-out city such as Los Angeles. It means we won't typically be competing for land parcels with private developers for whom affordable housing is often a cost of business rather than a mission to fulfill. What it gives us, overall, is the freedom and flexibility to be ambitious in a way other public agencies cannot.

These advantages, allied with the ambitious strategic vision of our Board of Commissioners, put us at the forefront of a citywide effort focusing on acquisition, redevelopment and preservation.

Moving on to our more specific strategy for Jordan Downs. Our goal is to expand and improve the supply of affordable housing by redeveloping Jordan Downs and the surrounding community. Our purpose is to create a vibrant urban village for residents and offer a model for public housing developments throughout the country. We want mixed use, mixed income redevelopment with market rate housing alongside affordable workforce units. And we are going to do it right. By doing it right we mean several things:

1) 1:1 replacement. The overall development will triple the number of housing units from 700 to 2100. We estimate the units will break down into; 700 new public housing income-equivalent units, 700 new workforce housing and 600 market rate rentals with the balance as for sale workforce and affordable housing units.

2) Mixed-Use Sites. Aside from housing units we are looking to partner with LAUSD for a potential redevelopment of Jordan High School. And as part of our urban village vision we are committed to developing mixed-use applications on the site. This will include retail outlets, commercial services and, possibly, a variety of high-technology/light industrial business ventures.

3) Community Investment. We expect the total investment in redeveloping the Jordan Downs community to be in the area of $500 to $700 million.

4) Timely Construction. Our timeline is aggressive. We hope to initiate groundbreaking within two years and finish in approximately five.

5) No resident displacement. We will provide current Jordan Downs residents new units while construction is pending. They will not be displaced from the Jordan Downs Community.

6) Extensive Resident Consultation and Participation. We will honor the HOPE VI requirements of HR 3524. Our residents will get written notice in plain English of the following:

- Our intent to submit a HOPE VI funding application
- Their right to participate in the planning process,
- Public hearings regarding any proposed redevelopment plan
- Residents' right to receive necessary supportive services.

In short, Jordan Downs residents will be notified and involved in every step of the redevelopment.

HACLA intends to seek HOPE VI funding for this redevelopment initiative. However, federal funding alone will not begin to cover the cost. Therefore, HACLA will seek sources of funding including:

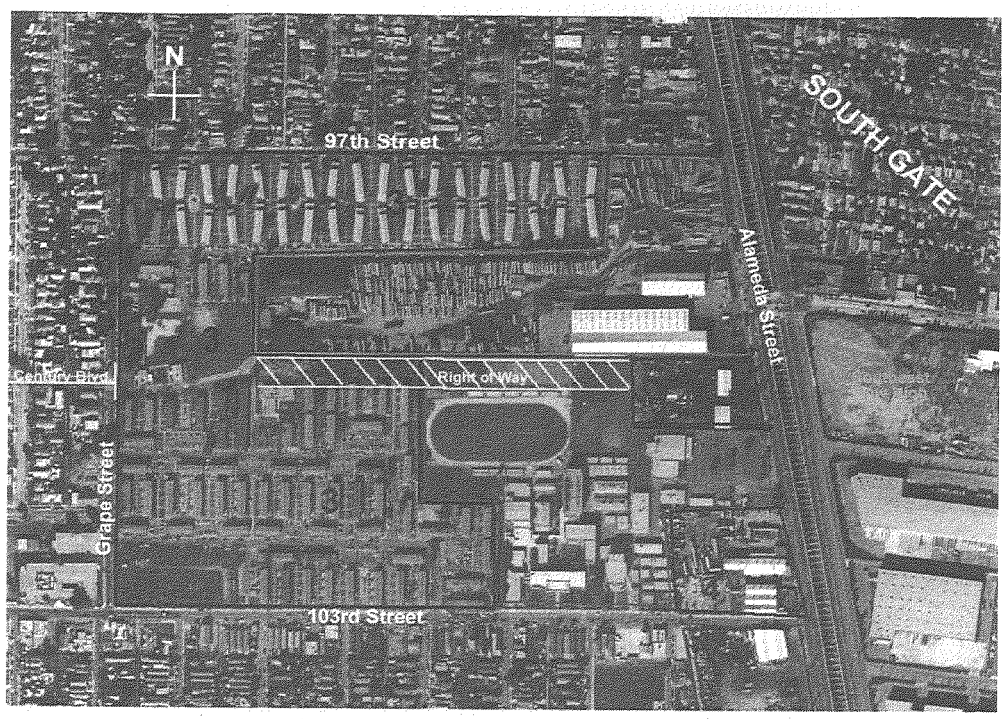
- 9% Low Income Housing Tax Credits
- 4% Low Income Housing Tax Credits and Bonds
- Conversion of Section 8 tenant-based to project-based vouchers
- HOPE VI federal grant funds
- LAHD housing trust fund dollars
- CA housing bond (prop 1C) dollars
- State of California Multifamily Housing Program (MHP)
- Federal Home Loan Bank's, Affordable Housing Program (AHP)
- HOME, Home Investment Partnership Program
- Private sector investment
- CRA tax increment dollars
- CDD targeted job development fund
- Private foundation dollars for Family Self Sufficiency
- Targeted educational funds from LAUSD

There are pending issues, however. One of these involves the acquisition of a vacant 21-acre parcel adjacent to Jordan Downs. This issue is the linchpin of this entire project. Ownership of this parcel would allow HACLA to build hundreds of new units without displacing one household. HACLA anticipates the opportunity to purchase a portion of the 21-acre parcel. Should HACLA be unsuccessful in this endeavor, Jordan Downs redevelopment cannot take place. Additionally, the Southern Christian Leadership Conference has initiated several community meetings on Jordan Downs redevelopment. In an effort to dispel any rumors or misinformation in the wake of these meetings please note that HACLA:

- Is not in partnership with the SCLC.
- Has no formal agreement with the SCLC
- Has not entered a development agreement with any entity.
- Has not issued any RFP for development of Jordan Downs.
- Has not offered for sale any of the property at JD.

But we shall continue to move ahead. Our ambitious strategic plan for public housing redevelopment not just at Jordan Downs, but citywide, represents a crucial contribution to the city's affordable housing stock. Its guiding principles are demonstrably successful. We know the necessity of supportive services, housing quality, neighborhood ties and creative financing are essential to good and sustainable redevelopment.

We will provide more affordable housing units. But that is not enough. We also want to raise the quality of those units. Our aim is to produce housing of first choice rather than last resort. With your support and leadership we can make it happen.



1. 21 Acre Vacant Land- Unincorporated LA County
2. Jordan High School
3. Jordan Downs Public Housing Development
4. Potential Commercial Opportunity

* NEW South East High School

March 15, 2008

House Committee on Financial Services
Subcommittee on Housing and Community Opportunity
Congresswoman Maxine Waters, Chair

Testimony for the Congressional Hearing on the Redevelopment of Jordan Downs

Good Morning Congresswoman Waters and committee members,

My name is Oscar Neal. I am the Chair of the Watts Chamber of Commerce, a resident of the Watts area, and the proprietor of Jordan's Café located at, 11332 Wilmington Avenue. As a concerned resident of the area I have heard the on-going "rumors" of the possible redevelopment of Jordan Downs many times over a number of years. When considering re-development you must consider the displaced residents and insure housing for families during the process. Where would the people go? Who would provide for their housing during the renovation or redevelopment? The average price for a single residence is $400,000 in the Watts area requiring an annual income of $120,000. Where will the returning residents find jobs within the area to provide the amount of income required? As "rumor" has it the Housing Authority is in control and they have all of the answers.

If it were a perfect world there would be a lottery for the past residents to purchase some of the homes and for others to pay rent and some to have subsidized housing. The new development should be environmentally developed; provide on-sight child care; vouchers for transportation to jobs, school and job training programs; a resident elected council; sports and play areas. The business community in the surrounding area will suffer a loss of revenue during the redevelopment and compensation would need to be implemented. Once completed, new businesses supplying needed services and pre-existing business should grow and provide more jobs to the residents. This is not a perfect world and though I can visualize this concept with all of the housing projects in our immediate area I do not foresee it happening in my life time.

I would like to see us stop the rumor mill and apply our time to reality. The Housing Authority and others who are not stakeholders in our community need to put these rumors to rest once and for all.

March 14, 2008

To the Honorable Congresswoman Maxine Waters,
Members of the Subcommittee on Housing,
Community Members and Friends.

My name is Reginald A. Pope, Pastor of the Bethel Missionary Baptist Church, located about one half mile from the Jordan Downs Housing Facility.

As a person who has served this community over the past thirty-two years I am very concerned about the possibility of the Jordan Downs Housing Projects being redeveloped.

Rumor has it that plans are being made to completely redevelop the area, and, if so, it is vitally important that all entities in the community have a say in the planning process. Redevelopment will affect families of our congregation who reside in the Complex; Our church itself which nurtures those families and the entire atmosphere of the community.

Therefore, let it be known for certainty, if redevelopment is being planned, Who are the persons doing the planning, what efforts have been made to adequately inform and involve the entire community, what will happen to the residents of the complex, what will replace the facility and what are the time lines for beginning and completion of the project?

Respectfully,

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Reginald A. Pope
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