



June 5, 2019

Mr. Paul Compton
General Counsel
U.S. Department of Housing and Urban Development
451 Seventh Street SW, Room 10276
Washington, DC 20410-0001

Re: Docket No. FR-6124-P-01

Dear Mr. Compton,

Hathaway-Sycamores is submitting this letter in response to the request for comment regarding *Verification of Eligible Status* issued in the Federal Register on May 10, 2019. As a non-profit organization that collaborates closely with its local housing continuums of care (CoC), Hathaway-Sycamores has significant concerns about the justification for the proposed rule and the consequences for the Los Angeles region if the proposed rule is adopted. We share the concerns articulated by our largest Continuum of Care, the Los Angeles Homeless Authority (LAHSA). The proposed rule will exacerbate Los Angeles County's homelessness crisis by breaking up thousands of families or forcing the families into eviction with no other stable affordable housing options. Therefore, we strongly urge HUD to abandon this proposed rule. Instead, we recommend that HUD host regional convenings with local CoCs and non-profit organizations to identify barriers that the federal government can address to help municipalities end homelessness.

HUD indicates its intent to align current practice with Section 214 of the current law; the law prohibits the Department from making certain financial assistance available to persons other than U.S. citizens or specified categories of eligible noncitizens. By its own admission, HUD recognizes that it currently provides federal housing assistance to eligible households on a prorated basis for individuals with eligible immigration status. HUD writes that the goal of Section 214 is to ensure that its limited financial resources be used to aid families lawfully present in the U.S., encompassing U.S. citizens and nationals, as well as noncitizens with eligible immigration status. We believe that the current practice already meets the stated goal of Section 214. Thus, we are perplexed by this rationale behind the proposed rule. As to the secondary claim that the proposed rule will reduce the waiting list for those who need federal housing assistance, we find this misleading because it fails to appropriately consider all impacts on the newly homeless households displaced as a result of the proposed rule. The proposed rule will actually push 25,000 households, including children who are U.S. citizens, to the brink of homelessness. When analyzing the economic impact of the proposed rule to the federal government, it appears to be more costly than the status quo. According to HUD's April 15th Regulatory Impact Analysis, the aggregate amount to HUD's budget in subsidies to households replacing those newly ineligible households ranges from \$193 million to \$227 million annually. Currently, the aggregate HUD budget range for subsidies to existing eligible households is \$179 million to \$210 million. The difference is significant before factoring in upfront moving costs and eviction costs for the displacement of newly ineligible households. In summary, Hathaway-Sycamores is alarmed at HUD's justification behind the proposed rule because of the anticipated impacts on families. Therefore, we strongly oppose the proposed rule.

In Los Angeles, California, homelessness continues to be a top priority for Los Angeles County, Los Angeles City, and the surrounding jurisdictions. The 2019 Greater Los Angeles Homeless Count identified 58,936 individuals who are homeless, representing a 12% increase compared to the prior year.¹ In addition, Los Angeles witnessed an 8% increase in family members experiencing homelessness in

¹ Los Angeles Housing Services Authority. (2019, June 4). 2019 Greater Los Angeles Homeless Count. Retrieved from: <https://www.lahsa.org/documents?id=3423-2019-greater-los-angeles-homeless-count-los-angeles-county.pdf>.



2019 compared to the prior year.² This number will only rise if HUD adopts the proposed rule. According to Housing Authority of the City of Los Angeles' data, approximately 6,500 individuals living in mixed-immigration status families currently receiving HACLA administered public housing would be impacted. A subset of these families include children who are U.S. citizens. In an extremely competitive housing market like Los Angeles, these families will have no real affordable housing options. In Los Angeles, a minimum wage worker (earning \$11 per hour) can afford a rent of \$572 per month; however, the region's fair market rent price for 1 bedroom is \$1,014 per month.³ The minimum wage worker would need to work 90 hours per week to afford this 1 bedroom apartment. This economic analysis illustrates the extreme "inaccessibility" of Los Angeles for households that already rely on federal housing assistance. With nowhere else to go, under HUD's proposed rule, a mixed immigration status household may consider staying in the current living situation, but force their non-eligible household member to move out. The only other option is for the entire household to remain together but face eviction proceedings when HUD enforces the proposed rule. Across all scenarios, families face the heart-wrenching choice of separation or unaffordable housing options and reality of living on the streets. The potential harm to families due to the proposed rule is completely antithetical to the mission of HUD, which is "to create strong, sustainable, inclusive communities and quality affordable homes for all." In summary, we urge you to immediately abandon this proposed rule. HUD should focus on addressing federal barriers hindering local CoCs and non-profit organizations from serving even more individuals who are homeless or at the brink of homelessness.

Sincerely,

Debra Manners, LCSW
President and Chief Executive Officer

² Los Angeles Housing Services Authority. (2019, June 4). 2019 Greater Los Angeles Homeless Count. Retrieved from: <https://www.lahsa.org/documents?id=3423-2019-greater-los-angeles-homeless-count-los-angeles-county.pdf>.

³ FreddieMac MultiFamily. (2019, April). Rent Burden by Metro. Retrieved from: file:///C:/Users/wwang/AppData/Local/Microsoft/Windows/INetCache/IE/4XVHR24D/rental_burden_by_metro.pdf.