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# Marketplace

## Sequester could push some renters out of Section 8 housing

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Of all the programs in the federal budget, Section 8 housing doesn't have much fat to cut. The program provides rent vouchers to families earning an average of less than \$13,000 a year. But sequestration has left housing authorities with a stark choice: Eliminate some vouchers altogether, or ask people to contribute more.

In the lobby of the Los Angeles City Housing Authority, Chanel Henderson waits with her two year old daughter, Heaven, sitting on her lap. Henderson tells me she has never heard of the sequester. But as a result of sequestration, she may soon see her rent rise by as much as \$200 a month.

"That's a lot for people who are already struggling," Henderson says.

Henderson is a single mother and a full-time nursing student. Her main source of income is a monthly welfare check. She says a \$200 rent increase may be too much.

"With my income now, I already don't have enough left over at the end, after paying rent and bills."

Up to 24,000 Los Angeles families -- half the people in Section 8 -- will see a rent increase before the end of this year. But according to Doug Guthrie, President and CEO of the city's Housing Authority, that may be the best available option.

"Although we're impacting a large part of the population, what we don't want to do is actually have to take people off the program entirely," Guthrie says.

The reason people are in Section 8 housing is because they have nowhere else to turn. Most are senior citizens, or people with disabilities, and families with children. When rents go up, Guthrie says, "Sadly, I believe that is going to have a negative impact on homelessness."

For its size, LA has more homeless people than any city in the country. In recent years, though, the city has made progress by building permanent supportive housing to fight chronic homelessness.

"Section 8 rental subsidies are right at the heart of that solution," says Greg Spiegel, Public Policy Director for LA's Inner City Law Center. "If Congress wanted to pass a budget cut that would make the most people in Los Angeles homeless, this is exactly the cut they would do."

Spiegel says saving money on subsidies only to cause more homelessness is penny-wise and pound-foolish.

"When people are homeless," he says, "there's an increased use in emergency rooms, healthcare costs, mental health services, the court system, policing, shelters. These are all very expensive services."

But those services, like homeless shelters? They've also been hit by cuts to the federal budget.