

4 REASONS SECTION 8 MAY BE GOOD FOR YOU

by Christine McKinney

We were delighted to receive the following article by Scott Williams, a landlord and managing partner of the Ironwood Management Company of Encino, California. This is a sign that the word is getting out to landlords about the Housing Authority of the City of Los Angeles (HACLA) program/policy improvements, tenant education and services, and our continued commitment to landlord outreach.

"I support Section 8, I support Section 8! All right, pick yourself up from the ground and listen for a minute. I know what you are thinking - I am a Section 8 operative secretly masquerading as a landlord. I mean why, as a landlord, would I want more bureaucracy, more inspections, and more people looking over my shoulder?"

OK, calm down and let me explain myself. Several years ago we purchased a property with 4-5 existing Section 8 tenants. The resulting inspections and the process of transferring the Housing Authority payments to us as the new owner were burdensome and time-consuming. We swore off Section 8 forever.

Things changed. The Housing Authority changed. We cautiously ventured back to Section 8 with a couple of properties. We were pleasantly surprised at what appeared to be a more streamlined approval process. We received the rental payments in a timely manner and the inspector actually provided some good insight. We decided to increase the number of properties where we accepted Section 8 vouchers and noticed a couple of interesting things:

1. We were able to lease the units faster than through traditional marketing and advertising.
2. It was financially helpful to receive a big chunk of the rent on the 1st of every month.
3. As landlords, we have all had the experience of finding additional people living in a unit who are not on the lease, thereby increasing the utility costs and wear on the units. The Housing Authority limits the number of people on a voucher to an appropriate number for the unit size and will support landlords in the enforcement of that limit.
4. Despite the prevailing myth, Section 8 tenants were like every other tenant we rented to, some were bad, but most were good. The tenants who received vouchers waited several years to receive them and so they were in many ways more respectful of house rules and management because of their fear of losing their voucher to a nuisance eviction.

Our partnership with Section 8 has grown as we currently have about 800 Section 8 tenants throughout Los Angeles and Orange County. We now have a quandary, whether to convert a newly acquired luxury 12-story property on Wilshire in Koreatown to a "high-end" market rate project or to partner with the Housing Authority and accept Section 8 tenants. The fact that this is a consideration tells you how far Section 8 has come in the last several years.

While there are still hiccups (the occasional delayed payment or difficult inspectors) we have found the benefits outweigh the inconveniences. Believe it or not a government agency actually thought and acted like a privately owned business. Section 8 has made serious outreach efforts over the past year to landlords by creating a department (Tenant Empowerment Success Strategies or TESS) specifically designed to assist owners. They had the insight to survey their customers (landlords), assess their current deficiencies and weaknesses and implement a program that would address those issues. Now if we could only get the Los Angeles Housing Department to look at the Rent Control Ordinance!"

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