

MOTION BY SUPERVISOR DON KNABE

March 19, 2013

In September 2012, we called on the Obama Administration and the County’s congressional delegation to develop a long-term budget compromise that would avoid \$1.2 trillion in across-the-board cuts, crippling local businesses and social services. These budget cuts, called sequestration, were scheduled to occur on January 2, 2013, then pushed out to March 1, 2013, where it promptly took effect.

While negotiations in Washington over the Continuing Resolution appear to be productive, all of us in local government are now starting to grasp in very real terms the impact sequestration will have, particularly on the most vulnerable members of our communities.

The Department of Housing and Urban Development (HUD) recently notified our Housing Authority that the sequestration cut applied to the Section 8 Program would result in a 5.1% reduction in rental payment assistance. When applied to this year, the impact may be as large as an 8.1% cut to the Section 8 program. This action has two significant impacts; 1) all vouchers, including those for the County’s homeless and special needs population have been suspended and 2) Vouchers may need to be terminated. Our current estimates indicate that 500 – 1,800 families could lose their housing as a result.

I would also like to point out the broader economic consequences of sequestration. While the whole country would suffer, California would be most directly and severely affected by the cuts, with a potential of losing over 225,000 jobs and \$22 billion in gross state product. Local governments across Los Angeles County stand to lose more than \$2.4 billion in tax revenue due to the impact of sequestration on our aerospace and defense-related industries. This would only add to the pressure of the safety-net services we provide.

Our leaders at the Federal level must come to agreement on a balanced, sensible budget. We don’t need more rhetoric – we need compromise and thoughtful solutions

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that would mitigate the impact on our safety net, preserve jobs and services, and bring confidence back to our economy.

I THEREFORE MOVE that the Board of Supervisors instruct our Washington representatives to advocate for sensible federal budget solutions and work to avoid further sequestration impacts on the safety net and on our economy, warning our Congressional delegation and HUD officials in particular of the impact sequestration could have on up to 1,800 Section 8 housing recipients, and urge them to work towards effective solutions.