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# CITY OF PALMDALE

## *NEWS RELEASE*

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### Settlement Reached with DOJ in Section 8 Lawsuit

PALMDALE – The U.S. Department of Justice (DOJ) has agreed to settlement terms with the Housing Authority of the County of Los Angeles (HACoLA), the City of Lancaster and the City of Palmdale in a lawsuit involving the administration of Section 8 inspections that were mandated by federal law.

Under the terms of the settlement, HACoLA will pay \$2 million into a restitution fund that will be distributed to individuals determined to have been adversely affected by the inspections. Palmdale and Lancaster are required to file a series of reports relating to housing ordinances and business licensing for the next two-and-a-half years.

“If anything was done wrong during the inspection process to Palmdale residents, we are thankful that they are being compensated appropriately,” said Palmdale Communications Manager John Mlynar.

The City of Palmdale was not required to pay into the restitution fund.

“After five years of intense scrutiny and two lawsuits, we paid nothing in the settlement,” said Palmdale City Attorney Wm. Matthew Ditzhazy. “We have maintained from the beginning that the City of Palmdale did nothing wrong and should never have been dragged into this lawsuit and I think the terms of the settlement reflect that.”

“The entire lawsuit was perplexing,” said Palmdale Mayor Jim Ledford. “As a highly integrated community, we have never felt it was ‘time to go to war with Section 8’ as was claimed by others. We have worked long and hard with our community partners

such as the Housing Rights Center, AV Youth Build, the Palmdale Dream Center, New Beginnings Outreach, AMCAL Multi Housing, Habitat for Humanity, National CORE, Better Housing Solutions, Newport Pacific, Meta Housing, Paving the Way and others to enhance and improve our housing programs, provide information through outreach, engage our residents by developing our Neighborhood Houses and accompanying programs----all to create a better Palmdale.”

“The City of Palmdale merely provided financial assistance to HACOLA so that it could adequately perform fraud investigations required under the federal voucher program,” said Assistant City Attorney Noel Doran. “This was a common arrangement in Los Angeles County at the time with cities such as Paramount, Bellflower, and Lancaster providing similar assistance. The City of Palmdale was particularly surprised to be included in the DOJ’s investigation because in 2007, the DOJ itself had provided almost \$1.3 million to the Indianapolis Housing Authority to, in part, fund investigators to root out fraud and criminal activity in Section 8 housing. Palmdale is happy to resolve this five year investigation on financial terms that are commensurate with our involvement in the Section 8 program – namely zero.”