

City of Culver City, California
City Council Agenda Item Report

Meeting Date: 04/15/08		Item Number: <u>PH-1</u>	
AGENDA ITEM: Conduct a Public Hearing and Approve the Submission of the Public Housing Agency (PHA) Annual Plan for the Section 8 Housing Choice Voucher Program (HCVP) to the United States Department of Housing and Urban Development (HUD).			
Contact Person/Dept.: Mona Karroum or Tevis Barnes		Phone Number: 310-253-5782	
Fiscal Impact: Yes ☐ No ☒		General Fund: Yes ☐ No ☒	
Public Hearing: ☒		Action Item: ☐ Attachments: ☒	
Public Notification: Notice of Public Hearing was published in the Culver City News and Culver City Observer (02/21/08 and 02/28/08); Notice of Public Hearing was mailed to all Section 8 Owners and Participants (02/21/08); Continuation Courtesy Notice (04/09/09); Master Notification List (04/09/08).			
Department Approval: Sol Blumenfeld (03/27/08)		City Attorney Approval: Carol Schwab (by H. Baker) (04/09/08)	
Fiscal Impact Review: Jeff Muir (04/09/08)		City Manager Approval: Jerry B. Fulwood (04/09/08)	
<u>RECOMMENDATION:</u> Staff recommends the City Council: 1. Conduct a public hearing to take comments on the Section 8 Housing Choice Voucher Program Public Housing Annual Plan (2008); and 2. Approve the submission of the Section 8 Housing Choice Voucher Program Annual Plan to the U.S. Department of Housing and Urban Development. <u>PROCEDURE:</u> 1. Mayor seeks motion to receive and file the affidavits of publication and posting of notices of this public hearing and correspondence received in response to the public hearing notices. 2. Mayor calls for a staff report and/or poses questions to staff, as desired. 3. Mayor declares the Public Hearing open and calls upon the public for comments. 4. Mayor seeks motion to close the public hearing after all public testimony has been received. 5. City Council discusses the matter and takes the appropriate actions concerning the recommendation and specifically approves changes, if necessary.			

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BACKGROUND:

Quality Housing and Work Responsibility Act

In 1998, the U.S. Department of Housing and Urban Development (HUD) enacted the Quality Housing and Work Responsibility Act, which called for the creation of a Public Housing Agency (PHA) Annual Plan.

The purpose of the PHA Annual Plan is to provide details about the Public Housing Agency's immediate operations, policies, practices and procedures. Furthermore, the Annual Plan provides detail strategies for handling operational concerns, program participant concerns and needs, and programs and services for the upcoming fiscal year.

Submission of this Plan is a requirement of HUD for continued receipt of funding to support the Section 8 Housing Choice Voucher Program (HCVP).

Section 8 Housing Choice Voucher Program

The Section 8 HCVP is operated under the authority of the City Council of the City of Culver City, which is the designated local public housing authority/agency established by the City in 1976. The Culver City Housing Agency provides 384 units of affordable housing to very low- and low-income households. This represents assistance to approximately 2.3% of the 16,611 housing units within Culver City.

CCHA recently updated the Section waiting list of 7,272 households. Eighty-two percent (82%) of our Section 8 HCVP waiting list applicants are extremely-low-income and sixty-two percent (62%) are families with dependent children. 2.9% of the applicants on our waiting list are Culver City residents.

For calendar year 2007, the total expenditures for the Section 8 HCVP were \$2,073,347. Of this, 89% (approximately \$1,848,449) was spent on the actual rent subsidy payments transmitted to property owners for the benefit of the Section 8 HCVP participants, and 11% (approximately \$226,898) went to administrative and operating costs (e.g. salaries, benefits, postage, printing, supplies, etc.). The Section 8 HCVP provides an average of \$695.53 in rent subsidy per month to assist extremely low-, very low- and low-income households to live in decent, safe and sanitary housing. The average program participant payment is \$329.28.

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DISCUSSION:

Public Housing Agency Annual Plan

The Annual Plan details daily operations, policies, practices and procedures of the Section 8 HCVP. Detailed below are several HUD defined policies and local initiatives that will impact the Section 8 HCVP during 2008.

2007/2008 Federal Fiscal Year Appropriations Act

How the Culver City Housing Agency (CCHA) manages its daily operations, policies, practices, and procedures is impacted by the enactment of 2007 and 2008 Federal Fiscal Year (FFY) Appropriations Acts (Acts). The Acts drastically modified allocation methods for calculating and distributing housing assistance payments (HAP), renewal funds, and public housing agency (PHA) administrative fees.

With the 2007 and 2008 Appropriations Acts, HUD has mandated that with the continuation of reduced funding, housing agencies must continue to protect the families most at risk, manage utility costs, and reduce Section 8 Program participants' rent contributions.

This reduction in funding is occurring with escalating rental rates, HUD defined Fair Market Rents that do not keep pace with market rental rates, and a vacancy rate of less than 2%. This creates the need to assist the same number of households with less funding.

HUD has also defined cost saving measures housing agencies should employ to reduce their program cost while also protecting at-risk families, controlling utility, and reducing program participants' rent contribution. The CCHA continues to employ methods of reducing program costs, such as:

- The minimum rent for CCHA voucher families has been increased from \$25 to \$50.
- A subsidy standard of two persons per bedroom regardless of sex or age has been established.
- CCHA will maintain its current utility allowance unless there is an increase of more than 10%.
- CCHA will limit approval of rent increase requests, and will review rent increase proposals on a case by case basis.

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Property Owner Outreach/Public Relations

In the environment of limited funding to provide rent increases and lowered payment standards to property owners and extreme competition from the rental housing market's "market rate units", the CCHA staff has strategically created different methods to maintain the current lease-up rate and attract and maintain property owner participation in the Section 8 HCVP such as conducting an "Open House" for property owners, hosting an annual Owner Appreciation Dinner, presenting a Landlord of the Year Award, conducting exploratory meetings with developers, placing advertisements in local papers during Festival La Ballona and giving \$25.00 gift cards to a local business when a property owner executes a new Section 8 contract.

Even with these efforts, the CCHA felt more could be done. The Agency approved entering into a contract with Big Imagination, a local public relations firm, for an amount of \$60,000 to assist the CCHA put a new face on affordable housing by creating consumer friendly marketing pieces for community wide distribution and have marketing materials and brochures that will help to "Tell Our Story". The CCHA is very encouraged that this marketing/public relations campaign and outreach will assist in increasing property owner participation in the Section 8 Program.

The CCHA has been working diligently with Big Imagination towards the creation of developing a new Housing Outreach Campaign as well as new Housing Marketing brochures. To date, the CCHA has had several meetings with Big Imagination and has been involved in brainstorming sessions. From this the following draft items have been created:

- CCHA color palette
- CCHA logo
- Brochure inserts
- Photos of CCHA Program participants and property owners
- New letterhead and envelopes
- New business cards
- General brochure

The CCHA is currently in the last stages of completing the scope of service with Big Imagination by creating a Property Owners Incentives Coupon Booklet and a Branded Outreach Piece to property owners/developers. The CCHA anticipates that the project will be completed in July 2008.

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Comprehensive Housing Strategy

On Monday, March 17, 2008, the CCHA presented to the Culver City Redevelopment Agency a Comprehensive Housing Strategy (CHS). This strategy will assist in the production of affordable housing units which will increase our affordable housing stock which will subsequently increase the access of affordable units for our Section 8 Housing Choice Voucher Program participants. The CHS is proposed to allocate Housing Set Aside Funds to meet the requirements of the Regional Housing Needs Assessments (RHNA) and Redevelopment Law. The strategy is based upon the concept of providing low density, smaller, scattered sites, and mixed income housing developments.

With RHNA providing a target number for Agency assisted and non-assisted units, staff identified sites of affordable for sale and rental housing over the 7 ½ year planning cycle. Prototypical affordable projects were identified and in some cases preliminary site plans were prepared. These prototypical projects were then priced using industry standard construction cost estimating techniques. The projected cost for meeting the total required housing production program was calculated and a funding strategy was developed to accommodate the housing demand utilizing Agency Set Aside Housing Funds and/or lending from private institutions, and also non-profit sector, County, State and Federal funding sources. An implementation program was then developed for each program year.

The CCHA has surveyed the City to identify blighted, nuisance, and underutilized sites for affordable housing development. From this investigation over eighty (80) sites have been identified. At the above March 17, 2008 meeting, Staff was instructed by the Agency to take the CHS into closed session to discuss and analyze each potential site.

Family Self Sufficiency

Since 1999, the CCHA has been awarded funding for our Family Self Sufficiency (FSS) Coordinator position which has afforded our agency the ability to assist our Section 8 participants achieve their goal of self sufficiency. The CCHA was approved to enroll up to twenty-five (25) participants in our FSS Program. Most recently, on December 17, 2007, the CCHA received notification that the 2007/2008 FSS grant amount of \$64,266.00 had been awarded. Through the years, forty (40) households have participated in FSS. Of this number, twelve (12) have graduated by completing their Contract of Participation (COP) and thirty-four (34) have generated escrow accounts which is an indication of increase in wage earned income. These escrow accounts have totaled over \$94,143.87 with some being as high as \$27,780.40.

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On January 7, 2008 the City Council approved entering into a contract with St. Joseph's Center to provide case management services to FSS Participants. The services provided shall include:

- Conducting intake interviews.
- Assessing the skills, abilities, needs, and resources of families.
- Identifying realistic goals and developing tasks and milestones to accomplish goals.
- Monitoring and documenting the family's progress to goals in the client's contract.
- Coordinating/conducting recruitment of FSS participants.
- Organizing economic-enrichment seminars such as preparing for homeownership, consumer credit counseling, and job interview skills.
- Conducting a survey to determine the program success.
- Recruiting new participants to the FSS program.

Additionally the CCHA will utilize the FSS Coordinator to assist Section 8 Housing Choice Voucher Program Participants with their housing search. These services shall include, but not be limited to:

- Determining housing needs such as size, location and disability access (if applicable).
- Evaluating barriers to housing such as evictions or poor credit history.
- Drafting a Housing Plan that will address and/or remediate barriers and will lead to identification of an appropriate unit.
- Owner Outreach such as building on existing relationships with Culver City landlords and other management companies that may operate within Culver City.
- Tenant housing search interview preparations when meeting an owner.

In March, 2008, the CCHA forwarded a contract to St. Joseph's Center for execution. The anticipated start date is April 1, 2008.

Violence Against Women Act (VAWA)

The Violence Against Women Act (Public Law 109-162) (VAWA) was first authorized in 1994. Last year Congress reauthorized and expanded VAWA, adding several new provisions that address the housing needs of victims of domestic violence, dating violence, sexual assault and stalking. These provisions affect Public Housing Agencies (PHA's) administering federal housing programs including the Section 8 Housing Choice Voucher Program (HCVP). They also affect property owners participating in the HCVP.

VAWA specifically prohibits PHA's and owners from considering actual or threatened domestic violence, dating violence, or stalking as a cause for terminating the tenancy,

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occupancy, or program assistance of the victim. PHA's and owners may not construe such violence or stalking (1) as a serious or repeated violation of the lease by the victim, (2) as other good cause for terminating the tenancy or occupancy rights of the victim, or (3) as criminal activity justifying the termination of the tenancy, occupancy rights, or program assistance of the victim. In November 2006 a letter regarding VAWA was sent by the CCHA to all Section 8 property owners and current participants on the HCVP. Additionally, information pertaining to VAWA has been included in the Section 8 Administrative Plan.

The CCHA provides referrals to numerous shelters including Free Spirit in West Los Angeles and Sojourn Services in Santa Monica for victims of domestic violence, dating violence, sexual assault or stalking. In addition, the CCHA anticipates working with St. Joseph's Center within the next sixty (60) days. This non-profit organization is a direct link to provide services that may help battered individuals.

Office of Inspector General

The CCHA has diligently been working with the United States Department of Housing and Urban Development Office of Inspector General (OIG) to report suspected fraudulent cases. On February 7, 2008 OIG Special Agents attended a CCHA Staff meeting to communicate to the Housing Division exactly what their role is in helping to eliminate fraud. Additionally, CCHA staff attended an OIG seminar on March 8, 2007 geared towards educating Housing Authorities/Agencies on OIG roles and procedures.

The CCHA has also created a Fraud Investigation Request Form. Since March 2007, approximately ten (10) cases have been forwarded to OIG for investigation. Two cases have been reported back with findings and both participants have been terminated from the program.

The CCHA continues to pride itself in developing a strong working relationship with OIG to help prevent fraud.

FISCAL ANALYSIS:

Submission of the Annual Plan to HUD will ensure compliance with HUD stipulated rules and regulations for receipt of federal funds in the amount of \$2 million for local rental assistance program activities.

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ATTACHMENT:

1. Public Housing Agency Annual Plan.

MOTION:

That the City Council:

1. Conduct a public hearing to take comments on the Section 8 Housing Choice Voucher Program Public Housing Agency Annual Plan; and
2. Approve the submission of the Section 8 Housing Choice Voucher Program Public Housing Agency Annual Plan to the U.S. Department of Housing and Urban Development.