

**City of Culver City, California  
Agenda Item Report**

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| Meeting Date: July 23, 2012                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |  | Item Number: JC-2                                                                          |  |
| <b>JOINT CITY COUNCIL/CULVER CITY HOUSING AUTHORITY: (1) Adoption of a City Council Resolution Approving the Transfer to the Culver City Housing Authority of the Rights and Obligations Under the Section 8 Annual Contributions Contract between the City of Culver City and the United States Department of Housing and Urban Development; and (2) Adoption of a Resolution by the Culver City Housing Authority Board Approving the Transfer to the Housing Authority of the Rights and Obligations of the City of Culver City Under the Section 8 Annual Contributions Contract between the City of Culver City and the United States Department of Housing and Urban Development.</b>                                                                                                                                                                                                                                                           |  |                                                                                            |  |
| Contact Person/Dept.:<br>Tevis Barnes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |  | Phone Number:<br>(310) 253-5782                                                            |  |
| Fiscal Impact: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  | General Fund: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>          |  |
| Public Hearing: <input type="checkbox"/>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |  | Action Item: <input type="checkbox"/> Attachments: <input checked="" type="checkbox"/>     |  |
| Commission Action Required: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  | Date:                                                                                      |  |
| Public Notification Meetings and Agendas – City Council (07/20/12); US Department of Housing and Urban Development Los Angeles Field Office (06/15/12)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |  |                                                                                            |  |
| Department Approval:<br>Sol Blumenfeld (07/12/12)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |  | City Attorney/Housing Authority Counsel Approval:<br>Carol Schwab (by H. Baker) (07/18/12) |  |
| Chief Financial Officer Approval:<br>Jeff Muir (07/19/12)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |  | City Manager/Executive Director Approval:<br>John M. Nachbar (07/20/12)                    |  |
| <p><b><u>RECOMMENDATION:</u></b></p> <p>Staff recommends the City Council:</p> <p>(1) Adopt a resolution approving the transfer to the Culver City Housing Authority (Housing Authority) the rights and obligations of the City of Culver City (City) under the Section 8 Annual Contributions Contract (ACC) between the City and the United States Department of Housing and Urban Development (HUD);</p> <p style="text-align: center;"><b><u>AND</u></b></p> <p>Staff recommends the Housing Authority Board:</p> <p>(1) Adopt a resolution approving the transfer to the Housing Authority of the rights and obligations of the City under the ACC.</p> <p><b><u>BACKGROUND:</u></b></p> <p>The Section 8 Housing Choice Voucher Program (HCVP) provides tenant based rental assistance (the rental subsidy is paid directly to a private property owner on behalf of the participating household) to assist extremely-low, very-low and low</p> |  |                                                                                            |  |

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income households to find decent, safe and sanitary affordable housing. Since the City of Culver City entered into a Master Section 8 ACC with HUD on February 24, 1976. Since 1976, an average of 250-300 households annually are assisted through the HCVP. Additionally, 150 property owners currently participate in the program making their units available to HCVP participants. The average rental subsidy paid per household per year is \$6,000. Currently, there are 732 households on the HCVP Waiting List with an average wait period of 5 years.

**DISCUSSION:**

Pursuant to Assembly Bill 1X 26 (AB 26) and other applicable State Law, the City Council activated the Culver City Housing Authority at the City Council meeting of January 9, 2012. Also, at this time, the City Council and Housing Authority Board adopted respective resolutions which transferred (the City Council) and accepted the transfer (the Housing Authority) of all housing assets, rights, powers, duties, obligations, liabilities, and function previously performed by the Culver City Redevelopment Agency under Part 1.85 of Division 24 of the Health and Safety Code subject to the reservations stated in the resolutions.

Approval of the above resolutions did not include the HCVP which is federally funded and not under the jurisdiction of the former Redevelopment Agency. Approval of the proposed resolutions will effectively transfer all HCVP rights and obligations under the ACC to the Housing Authority. Upon approval, all affordable housing related activity, rights, obligations, assets and liabilities will be under the auspices of the Housing Authority.

**FISCAL ANALYSIS:**

\$1.9 million in grant funding for the provision of rental subsidies and program administration of the HCVP will be transferred from the City to the Housing Authority. This transfer will have no impact on the current functions or funding of the Section 8 HCVP. The Housing Authority will need to execute a new Depository Agreement (Form HUD 51999) with the bank holding the accounts that receive deposits of the HCVP payments from HUD (Bank of America). The HUD Los Angeles Field Office has been notified of this pending transfer and they only require copies of the approved Staff Report and Resolutions along with the newly executed Depository Agreement. Should the City Council and Housing Authority adopt the proposed resolutions, staff will complete these administrative steps.

**ATTACHMENTS:**

1. Proposed City Council Resolution
2. Proposed Housing Authority Resolution

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**MOTION:**

That the City Council:

Adopt a resolution approving the transfer to the Housing Authority of the rights and obligations of the City under the Section 8 ACC with HUD.

That the Housing Authority:

Adopt a resolution approving the transfer to the Housing Authority of the rights and obligations of the City under the Section 8 ACC with HUD.