

City of Culver City, California
City Council Agenda Item Report

Meeting Date: 04/13/09		Item Number: <u>A-2</u>	
AGENDA ITEM: Approval of the Public Housing Agency Annual Plan Certifications for the Section 8 Housing Choice Voucher Program and Direct the Filing of the Certifications with the United States Department of Housing and Urban Development.			
Contact Person/Dept.: Tevis Barnes, Mona Karroum		Phone Number: 310-253-5782	
Fiscal Impact: Yes ☐ No ☒		General Fund: Yes ☐ No ☒	
Public Hearing: ☐		Action Item: ☒ Attachments: ☒	
Public Notification: Master E-Mail Notification List (04/08/09);			
Department Approval: Sol Blumenfeld (04/08/09)		City Attorney Approval: Carol Schwab (by H. Baker) (04/08/09)	
Fiscal Impact Review: Jeff Muir (04/08/09)		City Manager Approval: Jerry B. Fulwood (04/08/09)	
<u>RECOMMENDATION:</u> Staff recommends the City Council: 1. Approve the Public Housing Agency (PHA) Annual Plan Certifications for the Section 8 Housing Choice Voucher Program (HCVP); 2. Authorize the City Manager to execute the current and future PHA Plan Certifications that already have been approved by Council. <u>BACKGROUND:</u> 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.			

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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 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 Division (CCHD) 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 8 waiting list of 773 households. Additionally over fifteen (15) vouchers have been issued in the last twelve (12) months for applicants that were found eligible to participate in the program. The HCVP provides an average of \$764.54 in rent subsidy per month to assist extremely low-, very low- and low-income households to live in decent, safe and sanitary housing.

DISCUSSION:

Public Housing Agency Annual Plan

In the past HUD required that the CCHD submit a PHA Annual Plan outlining the daily operations, policies, practices and procedures of the Section 8 HCVP. Previously this item has been presented to Council and has been approved.

On November 13, 2008, HUD issued PIH 2008-41. This notice exempts "Qualified PHA's" from the requirement to prepare and submit an Annual Plan. "Qualified PHA's" (including Culver City) have a program size of 550 housing units or smaller. Culver City's program size is 384. Qualified PHA's must still submit the required certifications to HUD, which certifications require the City Manager's signature. These certifications include:

- PHA Certifications of Compliance with the PHA Plans and Related Regulations: Board Resolution to Accompany the PHA 5-Year and Annual PHA Plan
- Certificate of Payments to Influence Federal Transactions
- Affirmatively Furthering Fair Housing

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As a result of PIH 2008-41, the annual plan is no longer a requirement. However, a requirement still exists for the submission of a five year plan. Culver City's five year plan will be presented to the City Council for approval during calendar year 2010. In lieu of the annual plan, HUD is now requiring an annual administrative certification which will be provided by the City Manager.

Detailed below are several HUD defined policies and local initiatives that were included in the PHA PLAN for 2008. This item was approved by City Council on April 15, 2008 and was successfully submitted to HUD last year. The CCHD will continue to implement the following policies.

2007/2008 Federal Fiscal Year Appropriations Act

How the CCHD 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 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 HCVP 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 costs, and reducing program participants' rent contribution. The CCHD continues to employ methods of reducing program costs, such as:

- The minimum HCVP rent contribution for CCHD voucher families has been increased from \$25 to \$50.
- A subsidy standard of two persons per bedroom regardless of gender or age has been established.
- CCHD will maintain its current utility allowance unless there is an increase of more than 10% in utility costs. We have recalculated and updated current utility costs with new utility allowances. However the new calculated utility allowances have not been implemented as a cost saving measure. Implementation is not a HUD requirement.

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- CCHD will limit approval of rent increase requests and will review rent increase proposals on a case by case basis.

Property Owner Outreach/Public Relations

In this 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", staff has strategically created different methods to maintain the current lease-up rate and attract and maintain property owner participation in the 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 HCVP contract.

Even with these efforts, staff felt more could be done. The Redevelopment Agency approved entering into a contract with Big Imagination, a local public relations firm, for an amount of \$60,000 to assist the CCHD 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 CCHD is very encouraged that this marketing/public relations campaign and outreach will assist in increasing property owner participation in the HCVP. The CCHD is scheduled to present the new public relations and outreach plan to the Agency on May 11, 2009.

Family Self Sufficiency

Since 1999, the CCHD has been awarded funding for our Family Self Sufficiency (FSS) Coordinator position which has afforded our agency the ability to assist our HCVP participants achieve their goal of self sufficiency. The CCHD was approved to enroll up to twenty-five (25) participants in our FSS Program. Most recently, on January 9, 2009, the CCHD received notification that the 2008/2009 FSS grant amount of \$64,909.00 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. As an incentive to participate in the FSS Program and to create a "nest egg" for the FSS Participants, the FSS Program allows for the generation of escrow accounts. Through the use of federal Section 8 funds, this escrow account functions like a "forced savings account" and is generated based on an increase in earned income. Once the FSS participant experiences an increase in

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earned income, the CCHD is required to credit to an escrow account a portion of the increase of rent that would otherwise result from increases in earned income. These escrow accounts have totaled over \$94,143.87 with some being as high as \$27,780.40.

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 CCHD is scheduled to go to Council/Agency for the renewal of this contract on April 20, 2009. 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 CCHD 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.

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 PHA's administering federal housing programs including the HCVP. They also affect property owners participating in the HCVP.

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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, 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 CCHD to all HCVP property owners and current participants in the HCVP. Additionally, information pertaining to VAWA has been included in the HCVP 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. Additionally, the CCHD is currently working with St. Joseph's center. This non-profit organization is a direct link to provide services that may help battered individuals.

Office of Inspector General

The CCHD 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 CCHD Staff meeting to communicate to the Housing Division exactly what their role is in helping to eliminate fraud. Additionally, CCHD staff attended an OIG seminar on March 8, 2007 geared towards educating Housing Authorities/Agencies on OIG roles and procedures.

The CCHD has also created a Fraud Investigation Request Form. Since March 2007, approximately fifteen (15) 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 CCHD continues to pride itself in developing a strong working relationship with OIG to help prevent fraud.

FISCAL ANALYSIS:

Submission of the Annual Plan Certifications 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. PHA PLAN Certifications

MOTION:

That the City Council:

1. Approve the filing of the Section 8 Housing Choice Voucher Program Public Housing Agency Annual Plan Certifications with the U.S. Department of Housing and Urban Development; and,
2. Authorize the City Manager to execute such certifications and related documents on behalf of the City.