

City of Culver City, California
City Council Agenda Item Report

Meeting Date: 04/09/07		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 (02/22/07 and 03/01/07); Notice of Public Hearing was mailed to all Section 8 Owners and Participants (02/22/07); Master Notification List (02/22/07).			
Department Approval: Todd Tipton (03/19/07)		City Attorney Approval: Carol Schwab (by H. Iker) (04/02/07)	
City Controller Approval: Marlee Chang (04/04/07)		City Manager Approval: Jerry B. Fulwood (04/04/2007)	

RECOMMENDATION:

Staff recommends the Culver City City Council:

1. Conduct a public hearing to take comments on the Section 8 Housing Choice Voucher Program Public Housing Annual Plan (2007); 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.

PROCEDURE:

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.

City of Culver City, California
City Council Agenda Item Report

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 2.2% of the 17,130 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 2006, the total expenditures for the Section 8 HCVP were \$2,339,467. Of this, 93.7% (approximately \$2.2 million) were spent on the actual rent subsidy payments transmitted to property owners for the benefit of the Section 8 HCVP participants, and 6.3% (approximately \$147,000) went to administrative and operating costs (e.g. salaries, benefits, postage, printing, supplies, etc.). The Section 8 HCVP provides an average of \$634.00 in rent subsidy per month to assist extremely low-, very low- and low-income households to live in decent, safe and sanitary housing.

City of Culver City, California
City Council Agenda Item Report

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 2007.

2006 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 the 2005 and 2006 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 2005 and 2006 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.

During Fiscal Year 2003-2004, CCHA was funded \$3 million to assist 384 extremely low- to low-income households. With the enactment of the 2005 FFY Appropriation Act, the CCHA was reduced to approximately \$2.5 million to assist 384 extremely low- to low-income households. More recently, with the 2006 FFY Appropriation Act, funding has been reduced to approximately \$2.3 million. 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 CCHA continues to employ methods of reducing program costs, such as:

- The minimum rent for CCHA voucher families has been increased.
- A subsidy standard of two persons per bedroom regardless of sex or age has been established.
- CCHA will maintain its current utility allowance.
- CCHA will limit approval of rent increase requests, and will review rent increase proposals on a case by case basis.

City of Culver City, California
City Council Agenda Item Report

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,
- Giving \$25.00 gift cards to a local business when a property owner executes a new Section 8 contract, and
- Creating a new marketing and outreach campaign.

Housing Fiscal Strategy

In April 2007 the CCHA will present the Housing Fiscal Strategy to the Agency. The Housing Fiscal Strategy will outline the CCHA's goal to "preserve, improve and increase affordable housing", and to create affordable housing opportunities for all income levels and revitalize neighborhoods for the overall enrichment of the Community.

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, 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.

City of Culver City, California
City Council Agenda Item Report

Additionally, information pertaining to VAWA has been included in the Section 8 Administrative Plan.

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 estimated amount of \$2.2 million for local rental assistance program activities per fiscal year.

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.