



City of Culver City

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Staff Report

File #: 20-397, **Version:** 1

Item #: C-5.

HA - Approval of a Professional Service Agreement in an Amount Not-to-Exceed \$24,750 with the Los Angeles County Development Authority for the Implementation of the Homeless Incentive Program.

Meeting Date: October 28, 2019

Contact Person/Dept: Christina Stoffers / CDD - Housing
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Phone Number: (310) 253-5989

Fiscal Impact: Yes ☐ No ☒

General Fund: Yes ☐ No ☒

Public Hearing: ☐ **Action Item:** ☒ **Attachments:** ☒

Commission Action Required: Yes ☐ No ☒ **Date:**

Public Notification: (E-Mail) Meetings and Agendas - City Council (10/23/19); Los Angeles County Development Authority (10/3/19); Committee on Homelessness (8/20/19); Saint Joseph Center (10/16/19) and Upward Bound House (10/16/19).

Department Approval: Sol Blumenfeld, Community Development Director (10/17/19)

RECOMMENDATION

Staff recommends the Culver City Housing Authority Board approve a professional services agreement in an amount not-to-exceed \$24,750 with the Los Angeles County Development Authority (LACDA), formally the Housing Authority of Los Angeles, for the implementation of the Homeless Incentives Program (HIP).

BACKGROUND

State of Homelessness

The 2019 Greater Los Angeles Homeless Count data showed a total of 236 people found to be homeless in Culver City. This data reflects a significant increase in the following homeless count categories: persons in makeshift shelters (270%), person on the streets (169%), and persons in cars (43%).

Measures to Combat Homelessness

In partnership with the County of Los Angeles and in support of the Los Angeles County Homeless Initiative (HI), on November 28, 2017, the City Council adopted Resolution Number 2016 R 113. To further combat homelessness, on July 9, 2018, the City Council and Housing Authority jointly approved the updated Plan to Combat and Prevent Homelessness.

Subsidized housing provides an important tool in the effort to address homelessness. Culver City needs to expand the amount of subsidizing housing by utilizing LACDA's HIP program to encourage landlords to accept rent subsidized tenants. The need to expand subsidized housing is part of the Los Angeles County HI Strategy B4: Facilitate utilization of federal housing subsidies and is also incorporated in Culver City's Plan to Combat and Prevent Homelessness (Homeless Plan), under Goal 3D: Increase the number of landlords participating in subsidized housing programs.

DISCUSSION

Measure H Cities Implementation Grant

In order to effectuate Goal 3D in Culver City's Homeless Plan, on November 7, 2019, Culver City Housing Authority (CCHA) applied for Measure H funding through Los Angeles County's (LA County) Cities' Implementation Grant in the amount of \$110,000 to create an incentives package (signing bonuses, holding fees, and security deposits) to attract property owners to rent to homeless households and those receiving rental assistance. Funding was not awarded to CCHA. Instead, LA County's Office of HI CEO recommended that CCHA contract with LACDA to administer the Homeless Incentive Program (HIP). HIP offers cities monetary incentives to encourage landlords to rent their available units to homeless and rental subsidy voucher holders. Funding for the program comes as part of the Homeless Prevention Initiative, a collaborative effort between multiple County agencies supported by funding from Los Angeles County Measure H.

Homeless Incentive Program

The Federal Section 8 Housing Choice Voucher Program (HCVP) (Section 8) plays a critical role in combatting homelessness. However, the current very low vacancy rate coupled with increasing rents in the area make it difficult for families and individuals with a federal subsidy to secure housing. To mitigate this issue, the Los Angeles County HI has directed LACDA to develop a two-year landlord incentive program (HIP).

HIP places emphasis on increasing the number of landlords willing to accept homeless households with housing subsidies. The City will receive a total of \$24,780 to assist up to 5 homeless households. HIP would provide the following incentives for landlords to accept subsidized tenants:

- Holding Fees
- Assistance with credit checks and rental application fees
- Move-In Assistance
- Damage Claims

Holding Fees - Landlords are offered one month's free rent to hold their unit and consider accepting a family/individual with a Section 8 voucher who needs permanent supportive housing. CCHA actively recruits landlords to participate in HIP by hosting landlord outreach events, and other targeted marketing efforts. When an owner expresses interest, the CCHA will inspect the unit to determine if it meets minimum Housing Quality Standards (HQS). Once the unit passes inspection, the owner enters into an agreement with CCHA to take their unit off the open market. In exchange, the owner receives the equivalent of one-month's rent. The holding fee can be extended to a second month if needed.

Assistance with credit checks and rental applications - Once a participant identifies a unit, they are eligible to receive financial assistance to cover the cost of credit checks and rental application fees.

Move-In Assistance - Homeless families and individuals are provided with a listing of available units, preparation for the rental process, transportation to visit units, and financial assistance to cover the security deposit, utilities, and other move-in costs, such as household supplies, furniture, etc. Participants may also receive funding to cover costs to establish utilities, including payment of outstanding bills and utility deposits.

Damage Claims - Landlord may receive assistance to fix damages caused by a tenant. If a participant vacates a unit and the owner identifies damages that are beyond normal wear and tear, the owner is eligible to submit for damages to the unit. The owner must first deduct the security deposit from the damages, and CCHA will pay for damages beyond the security deposit up to \$2,000.

The Homeless HIP will supplement the landlord incentives program already offered by the City. Along with holding fees, security despot, and damage claims, the program also extends a reimbursement rehabilitation grant for up to \$5,000 for landlords willing to accept Section 8 voucher households. In exchange for the rehabilitation grant, the landlord must agree to rent only to Section 8 voucher holders for 24 months. Homeless HIP participants can also access the \$5,000 rehabilitation grant.

CCHA Responsibilities

Under the Homeless HIP, the CCHA must submit quarterly reports to LACDA on program performance metrics / outcomes and budget spend down reports. Program Performance Metrics includes the following:

- Number of landlord/community engagement events attended
- Number of landlord request to participate in HIP
- Number and amount of incentives provided to landlords (by bedroom size)
- Number of units current being held (by bedroom size)
- Number of units leased with HIP incentives (by bedroom size)
- Number and amount of damage mitigation requests
- Number and amount of damage mitigation claims paid
- Number and amount of security deposits paid
- Number and amount of application fees paid
- Number of tenants provided with utility assistance and amount paid

- Number of tenants provided with furniture assistance and amount paid

FISCAL ANALYSIS

The proposed Los Angeles County Development Authority Homeless Incentive Program grant contract is not to exceed \$24,750 for FY2019/2020. This translates to an estimated \$4,950 per household. CCHA will be funded in accordance with the LACDA's standard accounts payable system.

ATTACHMENTS

1. 2019-10-28_ATT - HIP Interagency Agreement 19-20 Culver City

MOTION

That the Housing Authority Board:

1. Approve a professional services agreement with Los Angeles County Development Authority in an amount not-to-exceed \$24,750 for the implementation of the Homeless Incentive Program; and
2. Authorize Housing Authority General Counsel to review/prepare the necessary documents; and
3. Authorize the Executive Director to execute such documents on behalf of the Housing Authority.