



DATE: April 4, 2023

TO: Justin Hess, Executive Director

FROM: Patrick Prescott, Assistant Executive Director/Community Development Director

VIA: Simone McFarland, Assistant Community Development Director, Housing and Economic Development

BY: Odet Ayvazyan, Housing Specialist

SUBJECT: ADOPTION OF A RESOLUTION FOR THE SECTION 8 PROGRAM - BURBANK PUBLIC HOUSING AGENCY ANNUAL PLAN (FISCAL YEAR 2023- 2024) AND PROPOSED ADMINISTRATIVE PLAN UPDATES

RECOMMENDATION

Adopt A RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF BURBANK APPROVING: 1) THE PUBLIC HOUSING AGENCY ANNUAL PLAN FOR FISCAL YEAR 2023-2024; 2) UPDATES TO THE SECTION 8 ADMINISTRATIVE PLAN; AND 3) AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE THE CERTIFICATIONS REQUIRED BY THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.

BACKGROUND

The Burbank Housing Authority (BHA) administers the Section 8 Rental Assistance Program (Program), which is funded by the federal Department of Housing and Urban Development (HUD) for the purpose of providing rent subsidies to extremely low-income and very low-income tenants. The Program is critical to communities across the nation as it assists the most disadvantaged and vulnerable households in the community with lower incomes who are at risk of becoming homeless. The Program takes existing units in the private market and makes them affordable, furthering the City Council goal of providing affordable housing in the community.

The mission of the BHA is working together for a safe, beautiful, and thriving community. This mission is in-line with HUD to provide affordable housing and economic opportunities to the Burbank community. The BHA will implement this mission within the limits of funding availability to assist as many households as possible by encouraging and supporting family self-sufficiency and economic stability. BHA will continue to expand this support along with rental subsidies to participant households.

DISCUSSION

To continue to receive Program funding for Fiscal Year (FY) 2023-2024, the BHA must

prepare and submit to HUD an Annual Plan that describes the goals and objectives of the BHA, and updates to an Administrative Plan that outlines policies and procedures for implementing the Program. Staff has prepared both these documents, including proposed updates to the Administrative Plan, for consideration by the BHA Board.

ANNUAL PLAN

The Annual Plan is an update to the approved 2020-2025 Five-Year Plan that describes the BHA's mission and the goals for achieving its mission during the next five years. The BHA Annual Plan for FY 2023-2024 has been prepared utilizing the HUD required template and the required certifications (Attachment 2).

In the third year of the Five-year Plan, the Annual Plan for FY 2023-2024 includes a summary of the BHA's progress in meeting its mission, goals, and objectives for the prior year (FY 2022-2023). The following is a summary of the reporting information:

1. The BHA assisted 843 Section 8 households. This figure includes the utilization of 14 of the 15 Veteran Affairs Housing Vouchers (VASH) that the BHA was allocated. Staff is currently working with the VA to receive referrals for VASH voucher participants.
2. The BHA also continues to review applications for the 67 Emergency Housing Choice Vouchers (EHV) received in 2021 through the American Rescue Act. Of the 67 allocated EHVs, 38 vouchers have been utilized; another 15 vouchers have been issued and those households are looking for a unit; and staff continues to receive and review applications for eligibility to utilize the remaining vouchers available. This population utilizing EHVs experience challenges and barriers that causes a significant delay in the process, and procedures that the Housing Authority must follow to determine eligibility.
3. Staff continues to educate landlords and program participants on housing quality standards to ensure participants are residing in safe and sanitary housing.
4. The BHA has continued to administer the Family Self Sufficiency Program (FSS) that continues to assist participants in obtaining employment that allows them to become self-sufficient; not dependent on welfare assistance and in some cases Section 8 assistance. The minimum program size of the FSS program is 50 households. To date, the BHA has successfully graduated 46 families. Successful completion of this program reduces the minimum size of the FSS program which will continue until the FSS program is phased out completely. Currently, there are two participants on the FSS program. Staff is continuously educating Housing Choice Voucher program participants about the FSS program by mailing out letters and brochures to eventually add the last two household participants for a total of four participants on the FSS program (Attachment 3).
5. Staff continues to distribute information to the public on housing opportunities and provide updates on local and state laws to tenants and landlords.

Finally, staff continues to review applications for available vouchers including the additional 13 Section 8 vouchers under the Consolidated Appropriations Act 2022. On September 23, 2022, HUD awarded the BHA these additional vouchers to assist individuals and/or families eligible under the Housing Choice Voucher Program who are

survivors of domestic violence, or individuals and families who are homeless or at risk of homelessness. Staff has selected applicants from the waiting list and is going through the eligibly review process to issue the available vouchers.

ADMINISTRATIVE PLAN

Housing authorities are required to adopt a written Administrative Plan that establishes local policies and procedures for administering the Section 8 Program in accordance with HUD regulations and requirements. Furthermore, HUD allows the Administrative Plan to include local policies on matters for which the BHA has discretion. Finally, the Administrative Plan, and any updates to it, must be adopted by the Board, and BHA staff must administer the Program in accordance with the Administrative Plan. Staff is proposing minor updates to the Administrative Plan related to:

- 1) Family Self-Sufficiency – HUD required Housing Authorities to update their FSS Action plan to reflect amended regulations.
- 2) EHV Waiting List policy; and
- 3) Defining a Homeless Household.

These additional and minor updates will comply with and clarify HUD regulations and requirements and local policies. The proposed 2023-2024 Amended Administrative Plan is included as Attachment #4 with proofed corrections for ease of reference. A summary of the proposed changes is included as Attachment #5.

RESIDENT ADVISORY BOARD AND PUBLIC NOTICES

Housing Authorities are required to establish a Resident Advisory Board (RAB) to enable residents to advise staff on document development. The membership consists of individuals who reflect and represent the residents assisted by the Program. The current membership is carried over annually, along with new requests received from Program participants seeking to be a member. The RAB makes recommendations regarding the development of the Annual Plan and may suggest amendments or modifications to the Administrative Plan. Residents can ensure that their needs are being addressed and become more involved in issues that directly affect them. Through their involvement in this process, residents will be more aware of the procedures that housing authority staff undergoes to carry out Program activities.

RAB members reviewed the draft Annual Plan and the draft Administrative Plan at a public meeting held on February 15, 2023. The meeting was advertised on the City's website, published in the Los Angeles Times and more than 850 post card invitations were mailed to Program participants. Forty-two (42) members of the public attended the in-person meeting. In addition, four (4) of the six (6) RAB members attended the meeting. There were no recommendations, comments, questions or feedback to the draft Annual Plan or the draft Administrative Plan. However, there were questions from both the RAB members and meeting attendees on general implementation of the Section 8 Program including waiting list and rent questions summarized in Attachment #4. Finally, staff published the required public notice for this public hearing, and the draft Annual Plan and proposed changes to the Administrative Plan were available for public review at the Housing Authority public counter, and online on the City's website starting February 8, 2023.

PAYMENT STANDARDS (SUBSIDY AMOUNTS FOR PROGRAM PARTICIPANTS)

HUD allows flexibility in payment standards (subsidy levels) for Program participants between 90 to 110 percent of the fair market rents (FMRs) for a metropolitan area (published annually by HUD). Each year staff must analyze the HUD-published FMRs along with expected funding levels to determine subsidy levels for program participants. In October 2022, the BHA updated the payment standards based on new published FMRs.

As shown in the 2023 Payment Standard Analysis for FY 2023–2024, the payment standard for all participants will be an average of 120% (based on number of bedrooms) of the Los Angeles County 2023 FMRs. The payment standard average of 120% is based on a waiver extension granted by HUD in April 2022 (only HUD can approve payment standards between 111% to 120% of the fair market rents). This increase in the payment standard has had a great positive impact on voucher holders in search of a unit.

2023 PAYMENT STANDARD ANALYSIS						
Number of Bedrooms	0	1	2	3	4	
HUD Published FMR- LA County October 2023 ¹	\$1,534.00	\$1,747.00	\$2,222.00	\$2,888.00	\$3,170.00	
BHA Payment Standard- Fiscal Year 23-24	\$1,835.00	\$2,095.00	\$2,655.00	\$3,450.00	\$3,800.00	Average
Payment Standard Percentage	120%	120%	119.98%	119.98%	120%	120%

2023 PROGRAM FUNDING

To date, the BHA has not received the final Program budget from HUD for housing assistance payments in FY 2023-2024. However, based on last year’s expenses, and an increase in the federal Consolidated Appropriations Act for 2023, staff is budgeting \$1,000,000 for administrative costs, including the City’s Cost Allocation Plan, and an additional \$11,000,000 for Housing Assistance Payments (HAP) to participant households, described further in the next section of this report. This is a total estimated budget of \$12 million. Based on the subsidy levels that went into effect December 2022, staff estimates that the BHA will be able to continue to assist 900 households during FY 2023-2024.

Unfortunately, the high cost of the Burbank rental market precludes the housing authority from funding all 1,042 vouchers allocated.² Variation in utilization (the number of Vouchers the BHA funds), is primarily due to funding received for the Section 8 Program. In addition, changes in subsidy level (rental assistance) and attrition (households that voluntarily leave the Program, moves to other communities or participant deaths) also affects voucher utilization. Staff analyzes utilization and funding on a monthly basis and as funding permits, will select additional applicants from the Section 8 Waiting List as outlined in the Administrative Plan.

¹ HUD publishes FMRs each October for the following year. Staff will analyze payment standards again in October 2022.

² The original voucher allocation was 1,014. However, the BHA has applied for and received 15 Veterans Affairs Supportive Housing Vouchers (VASH) and 13 additional vouchers through the Consolidation Appropriation Act 2022; therefore, the allocation has increased to 1,042.

Request for Additional Section 8 Vouchers and Funding

In November 2022, Mayor Anthony inquired about requesting additional Section 8 vouchers. As previously noted, the voucher allocation is available; up to 1,042 for the various voucher programs. Therefore, a letter request was not submitted for additional vouchers at this time. However, staff continues to request additional money to fund existing vouchers as required. Each month housing staff has to submit expenditure information and based on reporting; staff can request additional funds as necessary within the budget allocation. Furthermore, staff continues to apply and request new vouchers as opportunities arise; along with new funding that is required to utilize the vouchers.

As previously noted, funding for the Section 8 program is allocated via the Annual Federal Appropriations Act “the Consolidated Appropriations Act.” The 2023 Act provides a \$2.9 billion (10.5 percent) increase in HCV program funding overall. This includes a \$2.3 billion (10.5 percent) increase for contract renewals (existing participants), and a \$367 million (15 percent) increase in Administrative Fees. This is an historic increase intended to help housing authorities adjust to recent inflationary pressures. Although final housing authority funding amounts are not available as of the writing of this report, housing authorities can expect a funding increase based on last year’s total expenditures. In mid-February, the BHA was notified that the City we will receive an increase in funding of 7.5% (calendar year 2022 expenditures increased by 7.5%); the estimated \$11 million previously noted for the coming year.

FISCAL IMPACT

There is no fiscal impact to the City’s General Fund because the federal Section 8 Program is funded by federal HUD allocations to the Program.

ENVIRONMENTAL REVIEW

Staff recommends that the BHA find that the proposed Annual Plan and Administrative Plan is categorically exempt from environmental review under the California Environmental Quality Act (Public Resources Code Section 21000 et seq.) (“CEQA”) pursuant to Sections 15060(c)(2), 15060(c)(3), and 15061(b)(3) of the State CEQA Guidelines because it will not result in a direct or reasonably foreseeable indirect physical change in the environment, because there is no possibility that it may have a significant effect on the environment, and because it is not a “project” as that term is defined in Section 15378 of the State CEQA Guidelines.

CONCLUSION

In summary, the mission of the BHA of working together for a safe, beautiful, and thriving community is in line with that of HUD to provide affordable housing and economic opportunities to the Burbank community. Staff will continue to implement the Program equitably and effectively within funding constraints and parameters to provide rent subsidies to extremely-low and very-low income tenants. Staff recommends the Housing Authority Board adopt the resolution approving the Annual Plan and proposed Administrative Plan, and if approved, staff will forward to HUD as required by April 15, 2023.

ATTACHMENTS

Attachment 1 – BHA Resolution

Attachment 2 – Fiscal Year 2023-2024 PHA Section 8 Program Proposed PHA Annual Plan and HUD Certifications

Attachment 3 – Summary of the Family Self Sufficiency (FSS) Program

Attachment 4 – Proposed 2023 Burbank Housing Authority Administrative Plan Updates

Attachment 5 – Summary of Proposed Updates to the Administrative Plan Correspondences