



DATE: April 5, 2022

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: Maribel Leyland, Housing Authority Manager

SUBJECT: **ADOPTION OF A RESOLUTION FOR THE SECTION 8 PROGRAM - BURBANK PUBLIC HOUSING AGENCY ANNUAL PLAN (FISCAL YEAR 2022-2023), PROPOSED ADMINISTRATIVE PLAN UPDATES, AND CERTIFICATIONS AS REQUIRED**

RECOMMENDATION

Adopt A RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF BURBANK APPROVING: 1) THE PUBLIC HOUSING AGENCY ANNUAL PLAN FOR FISCAL YEAR 2022-2023; 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 (Attachment 1).

BACKGROUND

The purpose of this report is to present documents and information as required by the Federal Department of Housing and Urban Development (HUD) for the Burbank Housing Authority (BHA) to continue to receive funding for the Section 8 Rental Assistance Program (Program). The Program provides rent subsidies to extremely low-income and very low-income tenants in the community. The goal of the Program is to assist the most needy and vulnerable households in the city who, if not for this rent subsidy, would be at risk of becoming homeless. Program participants utilize the Section 8 rent subsidy to lease a unit in the private market, and pay only a portion of the contract rent with their household income; making the unit affordable to the participant household. The Section 8 Program meets 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. The BHA encourages and supports family self-sufficiency and economic stability and will continue to expand this support along with rental subsidies to participant households.

EMERGENCY HOUSING VOUCHERS (EHVS)

In December 2021, the BHA Board (The BHA Board is the City Council) adopted Chapter 17 in the existing Administrative Plan specific to administering new vouchers made available through the American Rescue Plan (ARP). These emergency housing vouchers (EHVs) are specific to homeless households; households at-risk of homelessness; those fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking or human trafficking; and recently homeless households. The BHA allocated and accepted 67 EHVs in May 2021. Chapter 17 memorializes staff's processes and procedures in administering the EHVs in compliance with HUD regulations and requirements.

To receive Section 8 Program funding, including EHV funds, HUD requires that all housing authorities submit a Public Housing Agency Plan (Annual Plan) that describes the mission of the housing authority and an Administrative Plan that includes information on operations, programs, and services as described later in this report.

DISCUSSION

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 2022-2023 has been prepared utilizing the HUD required template and the required certifications (Attachment 2).

The Annual Plan for FY 2022-2023 also includes a summary of the BHA's progress in meeting its mission, goals, and objectives. The following is a summary of the reporting information:

1. In this second year of the Five-Year Plan, the BHA assisted 855 Section 8 households. This figure includes the utilization of 14 of the 15 Veterans Affairs Housing Vouchers (VASH) that the BHA applied for and received.
2. As of March 2022, five (5) EHV voucher holders have leased a unit in the community, and an additional 20 vouchers have been issued.¹ In the meantime, staff continues to receive and review applications for the remainder of the vouchers available (total allocation of 67).
3. Staff continued to educate landlords and program participants on modifications and waivers implemented in response to COVID-19.
4. Staff continued to administer the Family Self Sufficiency (FSS) Program. The FSS Program assists participants in obtaining employment that may assist them with moving on from welfare assistance, and in some instances moving on from the Section 8 Program.
5. Staff continued to distribute information to the public on housing opportunities and provide updates on applicable local and state housing laws, including tenant protection information.
6. Staff implemented the goals, strategies, and actions as outlined in the HUD-approved Affirmatively Furthering Fair Housing Plan. These goals, strategies, and

¹ The three (3) EHVs are in addition to the 855.

actions are in place to assist participant households with fair housing issues and address contributing factors to fair housing choice.

Finally, staff monitors expenses on a monthly basis in order to issue and utilize additional allocated vouchers. This is a time-consuming process, but critical in order to assist as many households as possible. Staff will utilize reserve funds, if available, and will continue to request additional funds from HUD as was done in 2020 during the height of the COVID-19 Pandemic.

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 to comply with and clarify HUD regulations and requirements, and local policies (Attachment 3). Furthermore, as presented to the BHA Board in December 2021, Chapter 17 was adopted to the Administrative Plan at that time as required by HUD to memorialize the administration of the new EHVs. That new chapter was presented to the Resident Advisory Board (RAB), described later in this report, along with proposed minor changes to streamline the implementation of the Section 8 Program as summarized in Attachment 4.

Emergency Housing Voucher Update

As presented on December 15, 2021, HUD is requiring housing authorities to work with a local Continuum of Care (CoC)² to refer eligible individuals and households through the Coordinated Entry System (CES) to an EHV.³ The local CoC for Burbank is the Los Angeles Homeless Services Authority (LAHSA). HUD has a goal of leasing all available vouchers by September 2023. To meet HUD program goals, the BHA must work closely with LAHSA and local service providers to implement the EHV program. One such contract in place with a local service provider is a housing navigation contract or housing search assistance for participant households. This assistance is critical to finding available rental units in the community for EHV participants. If necessary, EHV participants will continue to have access to case management services after they have leased a housing unit to assist with the transition from homelessness to being housed. Chapter 17 of the Administrative Plan outlines the available assistance to EHV participants including, but not limited to: assistance with security deposits; utility deposits or utility arrears; essential housing items and furniture; and other eligible items to assist EHV participant households with securing and keeping a housing unit.

² A Continuum of Care (CoC) is a regional or local planning body that coordinates housing and services funding for homeless families and individuals.

³ The Coordinated Entry System (CES) is a centralized process designed to coordinate program participant intake assessment and provision of referrals. There are established standards for the referral of a household to the HUD Emergency Housing Voucher Program.

Staff has been meeting with LAHSA on a weekly basis to ensure eligible Burbank households are being prioritized. As of the writing of this report, staff has received 35 completed applications (matches to our referral list of 67 households) for eligibility review; issued 20 vouchers; and inspected five (5) units that are now under contract and leased by an EHV participant household.

During the FY 22-23 budget process, staff will be presenting the proposal to utilize the Administrative Fees to fund a new position for the BHA. As the City continues to seek and receive additional funds and voucher programs, additional staffing will be critical for the implementation of the programs. As with the Section 8 Program, HUD has provided Administrative Fees to implement the Program, and other fees that will be utilized to provide services to households to be successful in obtaining and retaining housing; such as housing search services described earlier in this report.

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 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 virtual public meeting held on February 22, 2022. 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. There were no changes to the draft *Annual Plan* or the draft *Administrative Plan* from this public meeting. Staff invited attendees to email or call-in any additional comments through the public review period that ends during the Public Hearing scheduled on Tuesday April 5, 2022. In addition, staff published the required public notice for the Public Hearing within the required timeframe in the Los Angeles Times and on the City's website.

PAYMENT STANDARDS AND 2022 PROGRAM FUNDING

HUD allows flexibility in payment standards (subsidy levels) for Program participants between 90 – 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. Staff must analyze this information, and also stay within budget authority, when determining new subsidy levels each year. The chart below outlines the 2022 Payment Standards per bedroom size. As the majority of Section 8 Participants lease a one or two bedroom-unit, the subsidy levels for those unit sizes will be the maximum allowable of 110% of the FMR, and the average payment standard for all units will be 100% percent of the Los Angeles County 2021 FMRs.

2022 PAYMENT STANDARD ANALYSIS						
Number of Bedrooms	0	1	2	3	4	
HUD Published FMR- LA County October 2021 ⁴	\$1,384	\$1,604	\$2,044	\$2,693	\$2,933	
BHA Payment Standard- Fiscal Year 22-23	\$1,315	\$1,764	\$2,248	\$2,558	\$2,786	Average All Bedroom Sizes
Payment Standard Percentage – BHA Subsidy as a % of the HUD Published FMR	95.01%	109.98%	109.98%	94.99%	94.99%	100.99%

As of the writing of this report, the BHA has not received the final Program budget from HUD for housing assistance payments in FY 2022-2023. However, based on last year’s expenses, staff is budgeting \$900,000 for administrative costs, including the City’s Cost Allocation Plan, and \$10,000,000 for Housing Assistance Payments (HAP) to participant households. This is a total estimated budget of \$10.1 million. Based on the subsidy levels that went into effect December 2021, staff estimates that the BHA will be able to continue to assist 855 households during FY 2022-2023.

Unfortunately, the high cost of the Burbank rental market precludes the housing authority from funding all 1,029 vouchers allocated.⁵ 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 levels (rental assistance) and attrition (households that voluntarily leave the Program, move 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.

FISCAL IMPACT

There is no fiscal impact to the General Fund. The Program is funded by federal HUD allocations. Staff recommends the Housing Authority Board adopt the resolution approving the Annual Plan and proposed Administrative Plan to be submitted to HUD by the deadline of April 15, 2022.

CONCLUSION

Staff continues to maintain the pre-pandemic high-level of service to our Section 8 participants and landlords. Staff follows direction from HUD to ensure that critical functions are in alignment with Federal requirements. This includes:

- 1) Quickly issuing vouchers so families can find housing;
- 2) Processing required paperwork immediately so families can be approved to move into a unit;
- 3) Expeditiously processing requests for “portability” moves (moving outside of Burbank); and

⁴ HUD publishes FMRs each October for the following year. Staff will analyze payment standards again in October 2022.

⁵ The original voucher allocation was 1,014. However, the BHA has applied for and received 15 Veterans Affairs Supportive Housing Vouchers (VASH); therefore, the allocation has increased to 1,029.

- 4) Completing “interim” reexaminations for participants who have experienced a decrease in income, therefore, lowering their portion of rent.⁶

Following these processes and protocols has ensured there has not been any disruption of service to participants and landlords. Post-pandemic, staff will continue to monitor information released by HUD to continue to serve the Burbank community.

In addition, with the new EHV's available for the community, staff will continue to refer eligible households to this new housing resource now available for: homeless households; households at-risk of homelessness; those fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking or human trafficking; and recently homeless households as allowed by HUD.

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, including special needs households such as VASH and EHV, within funding constraints and parameters to provide rent subsidies to extremely low and very-low-income tenants.

ATTACHMENTS

Attachment 1 – BHA Resolution

Attachment 2 – BHA Annual Plan and HUD Certifications

Attachment 3 – Proposed 2022 Administrative Plan

Attachment 4 – Summary of Proposed Updates to the Administrative Plan
Correspondences

⁶ Participant households are reviewed annually for continued participation in the program. However, when financial circumstances change, as with the COVID-19 pandemic, “interim” reexaminations will be conducted to adjust subsidy levels as needed.