



DATE: June 2, 2020

TO: Justin Hess, Executive Director

FROM: Patrick Prescott, Community Development Director
VIA: Simone McFarland, Assistant Community Development Director,
Business and Economic Development
BY: Tricia Smith, Housing Specialist

SUBJECT: **ADOPTION OF A RESOLUTION FOR THE SECTION 8 PROGRAM - BURBANK PUBLIC HOUSING AGENCY FIVE YEAR PLAN (FISCAL YEARS 2020-2025), ANNUAL PLAN (FISCAL YEAR 2020-2021) AND PROPOSED ADMINISTRATIVE PLAN UPDATES**

RECOMMENDATION

Adopt A RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF BURBANK APPROVING THE PUBLIC HOUSING AGENCY FIVE-YEAR PLAN FOR FISCAL YEARS 2020-2025 AND ANNUAL PLAN FOR FISCAL YEAR 2020-2021; AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE THE CERTIFICATION(S) REQUIRED BY THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT; AND AMENDING THE SECTION 8 PROGRAM ADMINISTRATIVE PLAN.

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 needy and vulnerable households in the community with lower incomes who are at risk of becoming homeless. The Program also 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; and is in-line with HUD to provide affordable housing and economic opportunities. The BHA will implement this mission within the limits of funding availability to assist as many households as possible. Furthermore, the BHA will work with partners to ensure housing is decent, safe and sanitary while providing supportive housing needs. The BHA encourages and supports family self-sufficiency and economic stability, and will continue to expand this support to participant households. In order to receive funds for the Program, HUD requires the housing authority to develop a *Five Year Plan, Annual Plan*

and *Administrative Plan* that includes information on operations, programs and services. This report is to provide information on the aforementioned plans, highlights and proposed administrative changes.

COVID-19 UPDATE

In mid-March, with the Safer at Home order, Section 8 staff implemented several processes and protocols to ensure service to tenants and landlords was not impacted. These processes and protocols in response to COVID-19 have allowed staff to maintain “business as usual,” and there has been no disruption to the housing assistance provided to our Section 8 participants. Staff has followed all direction from HUD and implemented protocols to our annual renewals, inspections and recalculations. As participant’s incomes have decreased, staff has given immediate attention to these priority files and have made timely changes to the tenant’s portion of rent. There has been no disruption in monthly payments to all Section 8 landlords. Post-pandemic, staff will continue to monitor information released by HUD to continue to serve the Burbank community.

DISCUSSION

During the last five year period, the BHA has assisted between 850 and 1,000 households a year. This includes: households that pay a disproportionate share of their income on rent; homeless households and veteran households. Highlights of the 2015-2020 *Five Year Plan* are below:

1. The BHA applied for and was allocated 15 Veterans Affairs Supportive Housing (VASH) vouchers. The last allocation of 10 VASH vouchers are in the process of being issued.
2. The BHA applied for and received 20 Permanent Supportive Housing Vouchers for disabled, homeless households. That allocation has been renewed for four (4) years.¹
3. The Family Self Sufficiency (FSS) program had five (5) families successfully meet their goals of increasing their households earned income and becoming free from receiving welfare benefits.
4. The BHA continues to be ranked as a High Performing housing authority under the Section 8 Management Assessment Program.

FIVE YEAR PLAN AND ANNUAL PLAN

The *Five Year Plan* describes the overarching mission, goals and objectives for the next five years. The *Annual Plan* provides updates, if any, to the *Five Year Plan* goals and objectives. The *Five Year Plan* goals and objectives are listed in Attachment 2. These goals and objectives continue to meet the requirements of the Section 8 Program.

ADMINISTRATIVE PLAN

Housing authorities are also required to adopt a written *Administrative Plan* that establishes local policies and procedures for administering the Program in accordance with HUD regulations and requirements. Staff utilizes the *Administrative Plan* to ensure

¹ Each year, HUD releases a competitive Notice of Funding Availability for the Continuum of Care Program. City staff will explore new funding to expand our 20 homeless vouchers; however, the opportunities are contingent on the funding parameters and available funding for administration of new vouchers.

all applicants and participants of the Program are treated in a fair and equitable manner. HUD also allows *Administrative Plans* to include local policies on matters for which the BHA has discretion, and any updates to it must be adopted by the Housing Authority Board (Board). The current *Administrative Plan* was last updated in 2019, and is available at the Housing Authority office and the City's website.

The proposed 2020 *Administrative Plan* is attached as Attachment 3. A summary of the proposed updates are listed on Attachment 4. There are two proposed changes for the 2020 *Administrative Plan*:

- 1) Applicant Waiting List, Order of Selection (Attachment 3, p. 28)
In order to meet the City Council's Homeless Strategy goals, the Homeless Preference point designation was changed from five (5) points to 10 points. There are currently more than 100 households that have self-identified as homeless working with a local service provider. This update provides a higher weighted preference for these households.

- 2) Voucher Issuance, Term of Voucher (Attachment 3, p. 60)
Added the HUD required language that a housing authority must provide a suspension of time on the initial or extended term of the voucher from the date of document submission to the approval or denial of a new contract. A voucher term is good for 120 days (60 days plus a one-time 60-day extension) or 180 days for a disabled household (60 days plus a two-time 60-day extension).

RESIDENT ADVISORY BOARD

In accordance with HUD guidelines, the Resident Advisory Board (RAB) reviewed the draft *Five Year Plan* (FY 2020-2025) and *Annual Plan* (FY 2020-2021) at a public meeting held on February 18, 2020. The RAB meeting was advertised on the City's website, published twice in the Burbank Leader, and more than 900 post card invitations were mailed to Program participants. Close to 70 members of the public attended the meeting, including six RAB members. The majority of attendees were current Program participants. There were no recommendations on the draft *Five Year Plan*, *Annual Plan* or the *Administrative Plan*. However, there were several questions and comments from both the RAB members and meeting attendees on the overall rules and regulations for the implementation of the Section 8 Program summarized in Attachment 5.

The required public noticing was made within the required timeframe in the Burbank Leader, and the draft *Five Year Plan*, *Annual Plan*, and *Administrative Plan* were available for public review for 45-days at the BHA office, and online at www.burbankca.gov.

PAYMENT STANDARDS AND 2020 PROGRAM FUNDING

Staff has received the final Program budget of \$9.5 million dollars for housing assistance payments, and approximately \$900,000 for Administrative Fees (based on Voucher utilization). The estimated \$900,000 in Administrative Fees funds all administrative costs of the Program including the City's Cost Allocation Plan for a total budget of \$10.4 million. Based on the subsidy levels that went into effect December 2019, staff estimates that the BHA will be able to assist about 850 households during FY 2020-2021 (down from 940

households in the last few years).² In the last two years budget authority for the program has started to increase. However, the high cost of the Burbank rental market precludes the housing authority from funding all vouchers allocated. Staff analyzes utilization and funding on a monthly basis, and as funding permits, will fund additional vouchers.

Annually, staff provides an update to the Board on Program funding and subsidy levels for the coming year. HUD allows flexibility in payment standards (or subsidy levels) for Program participants between 90 – 110 percent of the fair market rents (FMRs). For FY 2020-2021, the payment standard for participants will be an average of 93 percent (based on number of bedrooms) of the Los Angeles County 2020 FMRs, which is within the HUD-required range and went into effect in December 2019.³

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. Staff will continue to implement the Program equitably and effectively within funding constraints and parameters to provide rent subsidies on behalf of extremely-low and very-low income tenants. Staff recommends the Housing Authority Board approve the *Five Year Plan*, *Annual Plan* and proposed *Administrative Plan* to be submitted to HUD by the deadline of April 15, 2020.

ATTACHMENTS

ATTACHMENT 1 – BHA Resolution

ATTACHMENT 2 – BHA Five Year Plan FY 2020-2025, Annual Plan FY 2020-2021 and HUD Certifications

ATTACHMENT 3 – Proposed Changes to the Section 8 Program Administrative Plan (March 2020)

ATTACHMENT 4 – Section 8 Administrative Plan Proposed 2020 Updates

ATTACHMENT 5 – Resident Advisory Board (RAB) Questions and Answers

²Variation 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, moves to other communities or participant deaths) also affects voucher utilization. Staff monitors turnover closely, and as funding permits will fund vouchers as they become available.

³ Payment standards for 2020: 0 bedroom (e.g. Studio) (\$1,155); 1 bedroom (\$1,500); 2 bedroom (\$1,875); and 3 bedroom (\$2,375).