



DATE: April 9, 2024

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 2024- 2025) 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 2024-2025; 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 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 takes existing units in the private market and makes them affordable, furthering Council's goal of providing affordable housing in the community.

The mission of the BHA of working together for a safe, beautiful, and thriving community, which 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 and will continue to expand this support along with rental subsidies to participant households.

DISCUSSION

To continue to receive Program funding for Fiscal Year (FY) 2024-2025, the BHA must prepare and submit an Annual Plan to HUD that describes the goals and objectives of the

BHA, and outlines updated policies and procedures in the Administrative Plan for implementing the Program. Staff has prepared both 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 goals for achieving its mission during the next five years. The BHA Annual Plan for FY 2024-2025 has been prepared utilizing the required HUD template and certifications. The Annual Plan is contained in Attachment 1 as Exhibit A. The BHA has one revision to the existing Public Housing Agency (PHA) Plan Elements pertaining to Statement of Housing Needs and Strategy for Addressing Housing Needs. In this section of the Annual Plan, the BHA has included the intent to implement Project Based Vouchers (described later in this report). This revision will also be reflected in the PHA's upcoming, new Five-Year Plan.

In the last year of the Five-Year Plan, the Annual Plan for FY 2024-2025 includes a summary of the BHA's progress in meeting its mission, goals, and objectives for the prior year (FY 2023-2024). The following is a summary of the reporting information:

1. The BHA assisted 920 households. This figure includes the utilization of 13 of the 15 Veteran Affairs Housing Vouchers (VASH) that the BHA was allocated. Staff is currently working with Veterans Affairs to receive referrals for VASH voucher participants.
2. The BHA was allocated 67 Emergency Housing Vouchers through the American Rescue Act of 2021. All 67 vouchers were issued, and 61 have been housed. The remaining six are still looking for a unit.
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) to assist participants in obtaining employment that allows them to become self-sufficient and not dependent on welfare assistance or 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 in the FSS program. Staff is continuously educating Housing Choice Voucher program participants about the FSS program by mailing out letters and brochures with the goal of adding the last two household participants for a total of four participants in the FSS program.
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 monitor expenses on a monthly basis in order to issue and utilize additional allocated vouchers. This is a time consuming process that is critical in order to assist as many households as possible.

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 updates to the Administrative Plan to comply with HUD regulations and requirements and local policies. One additional chapter that has been included in the Administrative Plan outlines the proposed processes and procedures of implementing Project Based Vouchers. The Administrative Plan is contained in Attachment 1 as Exhibit B.

Project Based Vouchers are tied to a specific property and enable participants to pay less for their rent within a specific housing project, while Section 8 assistance is tenant-based (housing assistance moves with the tenant). The purpose of implementing Project Based Vouchers is to encourage more affordable units and to increase the number of units in the extremely-low income category. By including Project Based Vouchers in a specific development, the extremely-low income household still pays an affordable rent (to the landlord) and the Housing Authority pays additional rental income (based on HUD fair market rents) to the property owner, increasing rental revenue to make the development financially feasible. Project Based Vouchers are a tool to allow the City to provide affordable rental housing in existing properties that are becoming unaffordable for lower income families.

HUD allows housing authorities to utilize 20% of its authorized units for project-based assistance. Staff is proposing this authority be included in the Administrative Plan. However, that does not mean that 20% of allocated vouchers (1,042) will automatically be converted to project based. Proposal for project basing vouchers must be reviewed and approved by the Housing Authority Board and HUD on a project-by-project basis. The proposed change would provide the Housing Authority with the authority and flexibility to utilize this tool as needed.

The rest of the proposed changes are ministerial in nature to streamline the implementation of the Section 8 Program, add clarifying language, and define terms in the Glossary. A summary of the proposed updates is listed in Attachment 4. The new chapter on Project Based Vouchers and the minor updates will comply with and clarify HUD regulations and requirements. The proposed 2024-2025 Amended Administrative Plan is attached as Attachment 3 in redline format.

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 become more aware of the procedures that housing authority staff undergoes to carry out Program activities.

RAB members reviewed the draft Annual Plan and Administrative Plan at a public meeting on February 14, 2024. The meeting was advertised on the City’s website, published in the Los Angeles Times, and 900 post card invitations were mailed to Program participants. 51 members of the public attended the in-person meeting. In addition, four of the seven RAB members attended the meeting. There were no recommendations, comments, questions, or feedback to the draft Annual Plan or Administrative Plan; however, there were questions from meeting attendees on general implementation of the Section 8 Program (Attachment 2). Finally, the required notice for the public hearing was posted and the draft Annual Plan and Administrative Plan were available for public review at the Housing Authority public counter and online on the City’s website starting February 7, 2024. During the public review period, staff received one comment, which was a suggestion to add a “local experience” component to the Selection Criteria under “Experience/Administrative Capacity”. The commentator stated that an owner/operator with local ownership/management experience will likely have a streamlined lease-up, lower vacancy rates, and higher tenant retention/satisfaction, which would be “a community benefit”.

PAYMENT STANDARDS (SUBSIDY AMOUNTS FOR PROGRAM PARTICIPANTS)

HUD allows flexibility in payment standards (subsidy levels) for Program participants between 90% – 110% 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 of 2023, the BHA updated the payment standards based on new published FMRs.

As shown in the 2024 Payment Standard Analysis for FY 2024–2025 below, the payment standard for all participants will be an average of 110% (based on number of bedrooms) of the Los Angeles County 2024 FMRs; the highest allowable by HUD.

2024 PAYMENT STANDARD ANALYSIS						
Number of Bedrooms	0	1	2	3	4	
HUD Published FMR- LA County October 2024 ¹	\$1,777.00	\$2,066.00	\$2,544.00	\$3,263.00	\$3,600.00	
BHA Payment Standard- Fiscal Year 24-25	\$1,955.00	\$2,207.00	\$2,799.00	\$3,590.00	\$3,960.00	Average
Payment Standard Percentage	110%	110%	110%	110%	110%	110%

¹ HUD publishes FMRs each October for the following year. Staff will analyze payment standards again in October 2024.

2024 PROGRAM FUNDING

As of the writing of this report, the BHA has not received the final Program budget from HUD for housing assistance payments in FY 2024-2025. However, based on last year's expenses, staff is budgeting \$1,300,000.00 for administrative costs, and \$11,000,000.00 for Housing Assistance Payments (HAP) to participant households. Based on the subsidy levels that went into effect December 2023, staff estimates that the BHA will be able to assist 900 households during FY 2024-2025. However, as attrition and movement of households are analyzed, staff will look to increase the utilization of available vouchers, including reviewing requests for Project Based Vouchers as proposed in the updated Administrative Plan. Housing staff will continue to maximize utilization of vouchers allocated, and increase expenses so that HUD provides more funding to the Housing Authority.

Unfortunately, the high cost of the Burbank rental market precludes the housing authority from utilizing all 1,042 vouchers allocated with the funding HUD provides.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 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 monthly, and as funding permits, will select additional applicants from the Section 8 Waiting List as outlined in the Administrative Plan.

COMMUNITY ENGAGEMENT

As mentioned previously, a public meeting was held on February 14, 2024, regarding the draft Annual Plan and Administrative Plan during which members of the public were able to ask questions and provide feedback.

ENVIRONMENTAL REVIEW

Staff recommends that the BHA find that the proposed Annual Plan and Administrative Plan are 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.

FISCAL IMPACT

There is no fiscal impact to the General Fund. The federal Section 8 Program is funded by federal HUD allocations to the Program. For the program to receive these funds, the Resolution approving the Annual Plan and proposed Administrative Plan must be submitted to HUD by April 15, 2024.

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.

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 submit to HUD as required by April 15, 2024.

ATTACHMENTS

Attachment 1 – BHA Resolution

Attachment 2 – Summary of Proposed Updates to the Administrative Plan

Attachment 3 – Proposed 2024 Administrative Plan (in redline format)

Correspondences