



Agenda Report

March 14, 2016

TO: City of Pasadena as Successor Agency to the Pasadena Community Development Commission

THROUGH: Economic Development and Technology Committee (March 7, 2016)

FROM: William K. Huang, Director of Housing and Career Services

SUBJECT: **PUBLIC HEARING: SUBMISSION OF PUBLIC HOUSING AGENCY ANNUAL PLAN (2016) TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

RECOMMENDATION:

It is recommended that the City of Pasadena as Successor Agency to the Pasadena Community Development Commission (the "City"), after a public hearing:

- (1) Find that the action proposed herein is exempt from the California Environmental Quality Act pursuant to State CEQA Guidelines Section 15061(b)(3) as it will not have a potentially significant environmental effect and therefore falls under the "general rule" exemption; and
- (2) Approve the City's Public Housing Agency Annual Plan (2016) and authorize the Interim City Manager to execute any and all documents regarding its submission to the U.S. Department of Housing and Urban Development.

EXECUTIVE SUMMARY:

The submittal to the U. S. Department of Housing and Urban Development ("HUD") of the Public Housing Agency Annual Plan FY 2016 ("PHA Plan 2016") is a requirement for the continued operation of the City's federally funded rent subsidy programs which have a current budget totaling \$18 million. The PHA Plan 2016 provides details about the agency's rental assistance programs and services; its operations and management; program participants and their concerns; strategy for handling operational issues; and needs for the upcoming fiscal year.

BACKGROUND:

The rental assistance programs administered by the Housing and Career Services Department of the City of Pasadena ("City") consist of the Section 8 Housing Choice Voucher (HCV) Program, the Shelter Plus Care Program, and Housing Opportunities for Persons with AIDS. These programs provide affordable housing to approximately 1,542 very low and low-income households. This represents assistance for approximately three percent of the households residing within the City of Pasadena. For the current fiscal year 2016, the total federal appropriation for the rental assistance programs is \$18 million, including \$12 million appropriated for the Section 8 HCV Program and \$6 million for the other programs indicated above.

In 1998, HUD enacted the Quality Housing and Work Responsibility Act that called for the creation of a public housing agency annual plan (PHA Plan). The purpose of the PHA Plan is to provide for more flexible use of Federal assistance by public housing agencies (PHAs); facilitate mixed income communities; decrease concentrations of poverty; increase accountability and reward effective management of PHAs; and create incentives and economic opportunities for residents assisted. The City has approved and submitted its PHA Plans to HUD annually beginning in 1999 to present. In addition, the City's Five-Year PHA Plans were approved and submitted in 2000, 2005, 2009 and 2014.

The public input solicited in the formation of the PHA Plans over the years has consistently informed the City that its rental assistance programs should support, as the agency's main focus, the provision of adequate and affordable housing, economic opportunity and a suitable living environment free from discrimination.

PUBLIC HOUSING AGENCY ANNUAL PLAN FY 2016

The City's Public Housing Agency Annual Plan FY 2016 ("PHA Plan 2016") provides details about the agency's rental assistance programs and services; its operations and management; program participants and their concerns; strategy for handling operational issues; and needs for the upcoming fiscal year. PHA Plan 2016 outlines new activities planned for the current Fiscal Year for Project Based Vouchers.

Significant changes and new activities from last year's Public Housing Agency Annual Plan FY 2015 include the following:

- 1) Transfer to HUD of 40 vouchers under the Non-Elderly Disabled Category 2 program ("NED 2"). This action was approved by City Council on December 14, 2015. NED 2 serves non-elderly disabled clients who are transitioning from a nursing home or other healthcare institution, and who are provided the services needed to live independently in the community. The City's participation in the NED 2 program commenced in 2011 with a HUD award of 40 vouchers. To date over 400 NED 2 clients have been processed by staff, but the majority of those have elected to be housed outside of Pasadena. When NED 2 vouchers are "ported" to and "absorbed" by another housing authority, they are not counted by HUD as leased up in Pasadena. Consequently, this

lowers the City's overall Section 8 Housing Choice Voucher ("HCV") program lease-up rate, which is a critical component in how HUD rates the program and the amount of funding which HUD provides to administer the program. Transferring the NED 2 program back to HUD will: 1) allow the City's HCV Program lease-up rate to reach its previous high level; and 2) safeguard against program funding reductions resulting from a lower lease-up rate. Current program clients in Pasadena will be provided the opportunity to convert their NED 2 voucher into a regular Section 8 voucher, and persons interested in participating in the NED 2 program will be able to apply with the City of Los Angeles Housing Authority.

2) Commitment of Section 8 Project-Based vouchers to assist 19 units in the Mar Vista Union Apartments permanent supportive housing project, located at 143 Mar Vista Avenue, Pasadena. The vouchers were awarded through the United Way "Home for Good" Request for Proposals process that was announced in March 2012. The project, currently under construction, will be open in the July/August 2016 and will assist chronically homeless families in Pasadena.

3) Commitment of Section 8 Project-Based vouchers to assist 69 units in the Heritage Square housing project, located at 762 N. Fair Oaks Avenue, Pasadena. The project will provide housing to 69 senior households. The vouchers were awarded through the City's Request for Proposals process that was issued in January 2015. The project, currently under construction, is anticipated to be open in July/August 2016.

PUBLIC REVIEW AND COMMENTS

The PHA Plan 2016 was reviewed by the Resident Advisory Board (RAB) at its meeting of January 12, 2016. The RAB, which is comprised of Section 8 HCV Program participants, recommended that the PHA Plan 2016 be approved by the City. The PHA Plan 2016 was presented for information only to the Northwest Commission on February 9, 2016.

Copies of the PHA Plan 2016 have been made available to the general public at all public libraries and five community centers (Jackie Robinson Center, Pasadena Senior Center, Villa-Parke Community Neighborhood Center, Victory Park Center, and El Centro de Accion Social) for a minimum forty-five day public review and comment period from January 11, 2016 through March 14, 2016, as required by HUD. Public notices of the review and comment period, and the City Successor Agency public hearing, were placed in the Pasadena Journal News on December 31, 2015 and placed on the Housing and Career services Department website.

COUNCIL POLICY CONSIDERATION:

The PHA Plan 2016 advances Policy HE-3.6 in the City's Housing Element (2014-2021): Rental Assistance: Support the provision of rental assistance for residents earning lower incomes, including persons with special needs consistent with City preference and priority categories and fair housing law.

The PHA Plan 2016 is also in agreement with the following City-approved program plans and documents:

- Rental Assistance Program Administrative Plan (2015)
- Shelter Plus Care (S+C) Action Plan
- Housing Opportunities for Persons with AIDS (HOPWA) Action Plan
- HOME Annual Action Plan (2015-2016)
- Five-Year Consolidated Plan (2015-2020)
- Rental Assistance Program Policies & Procedures

ENVIRONMENTAL ANALYSIS:

The action proposed herein consists of the continuation of ongoing programs to provide housing assistance to certain low income populations in the City, and will not result in any changes that may have any environmental effect. The action proposed herein is exempt from the California Environmental Quality Act pursuant to State CEQA Guidelines Section 15061(b)(3) as it will not have a potentially significant environmental effect and therefore falls under the "general rule" exemption.

FISCAL IMPACT:

The recommended action will have no direct fiscal impact on the General Fund. Submission of the PHA Plan 2016 to HUD will ensure compliance with HUD-stipulated regulations for the City's receipt of federal funds in excess of \$18 million to administer and provide rental subsidies.

Respectfully submitted,


WILLIAM K. HUANG

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Approved by:


STEVE MERMELL
Interim City Manager

Attachment: Public Housing Agency Annual Plan (2016)