

Agenda Report

April 4, 2022

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: William K. Huang, Director of Housing

SUBJECT: PUBLIC HEARING: SUBMITTAL OF PUBLIC HOUSING ANNUAL PLAN (2022) TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

RECOMMENDATION:

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

- 1) Find that the recommended action is exempt from the California Environmental Quality Act ("CEQA"), pursuant to State CEQA Guidelines per 15061 (b) (3), the "common sense" provision that CEQA only applies to projects that may have a significant effect on the environment; and
- 2) Approve the City's Public Housing Agency Annual Plan (2022), and authorize the City Manager to execute any and all documents regarding its submittal to the U.S. Department of Housing and Urban Development.

BACKGROUND:

It is an annual requirement for the City of Pasadena ("City") to submit the Public Housing Agency Annual Plan ("Annual Plan") to the U. S. Department of Housing and Urban Development ("HUD") in order to remain eligible for funding for the Housing Choice Voucher ("HCV") program, commonly known as Section 8. The Annual Plan, along with the Five-Year Plan, make up the Public Housing Agency Plan ("PHA Plan"). The PHA Plan consists of a HUD template and required attachments, the most significant of which is the Administrative Plan. The Administrative Plan lays out the policies and procedures of the rental assistance programs.

The current Five Year Plan covers the period of 2020-2025 and was adopted by City Council on October 5, 2020. The Annual Plan 2022 describes the City's progress on goals that were set in the current Five-Year Plan, as well as any significant amendments or modifications to policies or procedures for the HCV program.

The HCV program administered by the City of Pasadena Housing Department ("CoPHD", the name used by HUD to identify the City's public housing agency) provides housing assistance to approximately 1,400 very low and low-income households. This represents assistance for approximately two and a half percent (2.5%) of the households residing within the City of Pasadena. For the current fiscal year 2022, the total federal appropriation for the HCV Program is approximately \$15.5 million.

ANNUAL PLAN OVERVIEW:

The Annual Plan 2022 describes the progress made on the goals and objectives set in the current Five-Year Plan. Progress on goals and selected objectives include the following:

GOALS:	OBJECTIVES:	PROGRESS:
Improve the availability of safe, decent, & affordable housing.	<p>Strengthen outreach to the landlord community.</p> <p>Increase the availability of rental vouchers by applying for special needs vouchers when available.</p> <p>Increase housing choice by monitoring of the payment standards in relation to average rents for modest dwelling units within the City.</p>	<p>Landlord incentive program secured 46 units for new or continuing HCV participants, brought 10 new landlords to program.</p> <p>Awarded 109 Emergency Housing Vouchers for homeless/at risk households.</p> <p>Increased payment standard for rental vouchers, lowering rent burden for participating families.</p>
Promote fair housing and equal opportunity.	Provide training to employees, owners, and residents through workshops and mailers.	Two virtual workshops are scheduled for March & April for Pasadena landlords in partnership with the Housing Rights Center.
Ensure effective operations and program management.	Utilize technology to improve program access.	Developed and launched a Rent Calculator app on website to allow HCV landlords/tenants to know if proposed rent for unit is affordable based on tenant income.

The Annual Plan 2022 also reports on any significant amendments or modifications to policies or procedures for the HCV program. The following modifications have been made to the Administrative Plan in the past year:

- A limited preference set-aside of 20 vouchers for persons experiencing homelessness, to be paired with \$150,000 in Continuum of Care funding for services.
- Extension of the maximum term of a repayment agreement between the City and a participating family that owes a debt to the CoPHD from 36 to 60 months, and an increase in the maximum amount of that agreement from \$5,000 to \$10,000. These debts generally result from underreporting of household income. This will result in more households being able to pay back their debt and avoid termination from the program. These repaid funds go back into the program to assist additional qualifying households.
- Procedures for conducting biennial inspections were clarified. An annual inspection will be conducted within the first twelve months after the start of program participation or move to a new unit. Units that pass the first annual inspection will be inspected biennially. Biennial inspections that fail due to health and safety items will be returned to an annual schedule.

Additionally, in response to COVID-19, the following modification was made to the informal hearing procedures:

- In accordance with PIH Notice 2020-32, the CoPHD is conducting Informal Hearings remotely. In response to technological barriers that participants may face, the CoPHD makes an onsite computer in a private room available to participants who do not have access to the necessary technology. If the participant has a disability that may prevent full access to the hearing using remote technology, alternative accommodations will be made, including rescheduling the hearing if necessary for a time when it may be held in person.

Section D of the Annual Plan 2022 is new, and will be used to document strategies and actions to meet the goals outlined in the PHAs' Assessment of Fair Housing (AFH). However, HUD has not yet provided guidance on the development of an AFH, and has not required its submittal. Thus, the CoPHD is not required to complete this section.

WAITING LIST STATUS:

The HCV Program last opened its waiting list for applications from households in need of rental assistance in October, 2014 for a two-week period. At that time, over 26,000 households applied for assistance. PHAs may not restrict applications to households living within the PHA's jurisdiction, and most of the households who applied neither live nor work in Pasadena, but live in other areas of Los Angeles County or beyond. HUD allows PHAs to give local preference for residents living in their jurisdiction.

Approximately 5,000 households who applied in October, 2014 claimed the live/work Pasadena preference. Those households with a Pasadena preference are assisted before households who do not have a Pasadena preference. There are 17,325 households remaining on the waiting list as of March, 2022.

COUNCIL POLICY CONSIDERATION:

The PHA Plan 2022 advances Policy HE-3.6 in the City's Housing Element (2014-2021) and Draft Housing Element (2021-2029), which calls for the City to "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 Annual Plan 2022 is also in agreement with the following City-approved program plans and documents:

- Five-Year Consolidated Plan (2020-2024)
- Rental Assistance Program Policies & Procedures

PUBLIC REVIEW AND COMMENTS:

The Annual Plan 2022 was reviewed by the Resident Advisory Board (RAB) at its meeting of February 15, 2022. The RAB, which is comprised of Section 8 HCV Program participants, recommended that the Annual Plan 2022 be approved by the City Council.

The Annual Plan 2022 was brought to Northwest Commission on March 8, 2022 as an information item.

Copies of the Annual Plan 2022 have been made available to the general public on the Housing Department website for a public review and comment period beginning February 17, 2020 through the present, as required by HUD. Public notices of the City public hearing, were posted on the Housing Department website on February 17, 2022, and published in the Pasadena Journal on March 17, 2022.

ENVIRONMENTAL ANALYSIS:

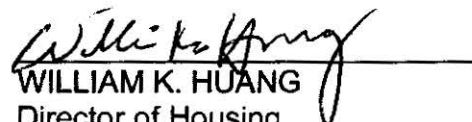
The action proposed herein is exempt from the California Environmental Quality Act (CEQA), pursuant to State CEQA Guidelines Section 15061 (b)(3), the "common sense" provision of CEQA, as it will not have a potentially significant environmental effect and therefore falls under the "common sense" exemption.

FISCAL IMPACT:

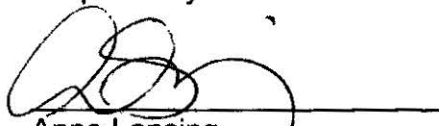
Submission of the Annual Plan 2022 will have no direct fiscal impact on the General Fund.

Its submission will ensure compliance with HUD-stipulated regulations for the City's receipt of federal funds in excess of \$15.5 million to administer and provide HCV rental subsidies.

Respectfully submitted,


WILLIAM K. HUANG
Director of Housing
Department of Housing

Prepared by:


Anne Lansing
Housing Assistance Officer

Approved by:


CYNTHIA J. KURTZ
Interim City Manager

ATTACHMENT: PHA Annual Plan (2022)