

Agenda Report

April 8, 2019

TO: Honorable Mayor and City Council
FROM: Housing Department
SUBJECT: PUBLIC HEARING: SUBMITTAL OF PUBLIC HOUSING AGENCY ANNUAL PLAN (2019) 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), 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 (2019), 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 a requirement that the Public Housing Agency Annual Plan FY 2019 ("PHA Plan 2019") be submitted to the U. S. Department of Housing and Urban Development ("HUD") in order to receive funding for the continued operation of the City's federally funded Housing Choice Voucher ("HCV") Program, commonly known as Section 8, which has a current budget totaling \$13 million. The PHA Plan 2019 provides information 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. 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 rental assistance programs administered by the Housing Department of the City of Pasadena ("City"), consist of the Section 8 HCV Program, the Continuum of Care Rental Assistance Program, and Housing Opportunities for Persons with AIDS. These programs provide affordable housing 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 2019, the total federal appropriation for the rental assistance programs is \$14 million, including \$13 million appropriated for the Section 8 HCV Program and \$1 million for the other programs indicated above.

The PHA Plan is a comprehensive guide to PHA policies, programs, operations, and strategies for meeting local housing needs and goals. There are two parts to the PHA Plan: the 5-Year Plan, which each PHA submits to HUD once every 5th PHA fiscal year, and the Annual Plan, which is submitted to HUD every year by all PHAs with more than 550 vouchers or public housing units. The City has approved and submitted its PHA Plans annually beginning since 1999. In addition, the City's Five-Year PHA Plans were approved and submitted in 2000, 2005, 2009 and 2014. (HUD has changed the required Five-Year PHA Plan years. The next Five-Year plan is due in 2020.)

PUBLIC HOUSING PLAN ANNUAL PLAN 2019:

The City's PHA Plan 2019 provides information about the agency's rental assistance programs and services, its operations and management, its funding, strategy for handling operational issues, and needs for the upcoming fiscal year.

Significant changes and new activities since last year's PHA Plan 2018 include the following:

- The Financial Resources section has been updated to include the most recent allocations of funding for housing and community development activities and their planned uses; and
- Two significant modifications have been made to the Administrative Plan:
 - The subsidy standard for single person households was increased from a zero-bedroom to a one-bedroom standard;
 - Three limited preferences, or voucher set-asides, were created. Two are for households exiting homeless housing programs in Pasadena, specifically Rapid Rehousing (10 vouchers) and Permanent Supportive Housing (5 vouchers). These preferences allow households who have experienced homelessness and have stabilized their living situation but remain very low-income to move to less structured but still affordable housing with the help of the voucher. This frees up the homeless housing slot for a household in need, while allowing the vouchered household to retain their stability. The third limited preference is for households living in family affordable housing that was developed with financial assistance from the City, who are now over-housed. Over-housed situations occurs

when families move into affordable housing projects with children, who then grow up and move out of the unit, resulting in the parents living in a larger bedroom-size unit than needed. Fifteen (15) vouchers are being set-aside to allow these households the opportunity to move to appropriate-sized units, opening up an affordable unit for another family.

UNMET NEED:

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 23,189 households remaining on the waiting list as of March, 2018.

COUNCIL POLICY CONSIDERATION:

The PHA Plan 2019 advances Policy HE-3.6 in the City's Housing Element (2014-2021), 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 PHA Plan 2019 is also in agreement with the following City-approved program plans and documents:

- Five-Year Consolidated Plan (2015-2020)
- Rental Assistance Program Policies & Procedures

PUBLIC REVIEW AND COMMENTS:

The PHA Plan 2019 was reviewed by the Resident Advisory Board (RAB) at its meeting of February 11, 2019. The RAB, which is comprised of Section 8 HCV Program participants, recommended that the PHA Plan 2019 be approved by the City.

Copies of the PHA Plan 2019 have been made available to the general public on the Housing Department website, and at all public libraries and four community centers (Jackie Robinson Center, Pasadena Senior Center, Villa-Parke Community Neighborhood Center, and Victory Park Center) for a 45-day public review and comment period beginning February 11, 2019 through March 28, 2019, as required by HUD. Public notices of the review and comment period, and the City public hearing,

were posted on the Housing Department website on February 11, 2019, and placed in the Pasadena Star News and Pasadena Journal on February 28, 2019.

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 "General Rule" provision of CEQA, as it will not have a potentially significant environmental effect and therefore falls under the "general rule" exemption.

FISCAL IMPACT:

Submission of the PHA Plan 2019 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 \$13 million to administer and provide HCV rental subsidies.

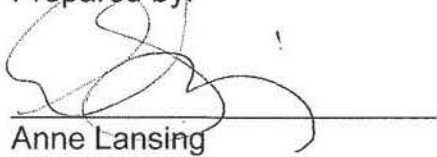
Respectfully submitted,



WILLIAM K. HUANG

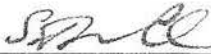
Director of Housing and Career Services
Department of Housing

Prepared by:



Anne Lansing
Housing Assistance Officer

Approved by:



STEVE MERMELL
City Manager

ATTACHMENT: PHA Annual Plan (2019)