



HOUSING AUTHORITY
of the City of Long Beach

CITY OF LONG BEACH

DEPARTMENT OF HEALTH AND HUMAN SERVICES

521 E. 4TH STREET • LONG BEACH, CALIFORNIA 90802 • (562) 570-6985 • FAX: (562) 499-1052

February 14, 2017

HONORABLE HOUSING AUTHORITY COMMISSION
City of Long Beach
California

RECOMMENDATION:

Adopt a Resolution of the Housing Authority of the City of Long Beach, approving a revised voucher Payment Standard Schedule for the Section 8 Housing Choice Voucher Program, effective February 15, 2017, for all zip code areas in Long Beach. (Citywide)

DISCUSSION

The Housing Authority of the City of Long Beach (Housing Authority) requests your consideration and approval to raise the Payment Standards for housing units located in all Long Beach zip codes for all bedroom sizes. This action is needed to relieve the rent burden to tenants due to rising rental costs and low vacancy rates.

In April 2016, the Housing Authority Commission (Commission) approved a request to raise the Housing Authority Payment Standard to 120 percent of the HUD Small Area Fair Market Rent (SAFMR) Schedule. New HUD SAFMR's were made effective October 1, 2016 for Fiscal Year 2017, and Housing Authority rates are currently at 110 percent. This small increase in HUD SAFMR for Long Beach remains insufficient to support market rate rents. Although there has been a small increase in HUD SAFMR for Long Beach, families are still having great difficulty in finding affordable units and finding owners who are willing to accept the voucher as subsidy. Therefore, the Commission is asking to adjust the current payment standard to reflect 120 percent of the current HUD SAFMR for all zip code areas. Approval of this increase will adjust the Long Beach Payment Standards so that existing families can remain housed, new families may lease up, and owners are compensated closer to the current market rate.

Fair Market Rents (FMRs) are published by HUD for each metropolitan statistical area and change annually. The FMR is the maximum monthly subsidy provided for an assisted family. The Payment Standard for each Housing Authority is based on 90-110 percent of the published FMR for the Housing Authority jurisdiction. In September 2012, the Housing Authority was approached by HUD to participate in a nation-wide study called the "Small Area Fair Market Rent (SAFMR)" Demonstration Program (Program). This Program used FMRs based and broken down by City zip codes and not geographic wide metropolitan areas. By using the SAFMR information provided by HUD, the Housing Authority's payment standard was based on HUD's analysis of Long Beach data by zip code rents that are more reflective of the Long Beach community. The purpose of this Program was to learn more about the effects of using SAFMRs, which were designed to enable voucher tenants access to more units in neighborhoods of opportunity where jobs, transportation and educational opportunities exist. The Housing Authority participated in the Program for five years and has since elected to remain in the Program beyond the demonstration in what are now SAFMR designated areas.

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The rental vacancy rate in Long Beach continues to remain at a ten-year low, which is driving up the costs of available units. Currently, there are over 500 voucher holders in Long Beach searching for housing. The Housing Authority is now issuing vouchers for 180 days, the maximum search term allocated by HUD, to increase a family's opportunity to utilize the voucher. Funding for this increase is available in our current Housing Assistance Payments reserves and would assist in negotiating new rents for rental assistance participants.

This matter was reviewed by Deputy City Attorney Linda T. Vu on December 1, 2016 and by Budget Management Officer Rhutu Amin Gharib on November 28, 2016.

TIMING CONSIDERATIONS

Housing Authority Commission action is requested on February 14, 2017.

FISCAL IMPACT

As noted in the Financial and Operational Performance Report for the month of October 2016, excess Housing Assistance Payment HUD funding levels are available to absorb the 20 percent increase on HUD FMRs.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



KELLY COLOPY
ASSISTANT EXECUTIVE DIRECTOR

APPROVED:



PATRICK H. WEST
EXECUTIVE DIRECTOR

Attachment: Resolution

RESOLUTION NO. H.A. _____

A RESOLUTION OF THE HOUSING AUTHORITY
OF THE CITY OF LONG BEACH, CALIFORNIA,
APPROVING A REVISED VOUCHER PAYMENT
STANDARD SCHEDULE FOR THE SECTION 8 HOUSING
CHOICE VOUCHER PROGRAM, EFFECTIVE FEBRUARY
15, 2017, FOR ALL ZIP CODE AREAS IN LONG BEACH

WHEREAS, the Housing Authority of the City of Long Beach administers a
Section 8 Housing Choice Voucher (HCV) Program under terms and conditions outlined
by the U.S. Department of Housing and Urban Development (HUD); and

WHEREAS, each year HUD issues Fair Market Rents for each metropolitan
standard statistical area; and

WHEREAS, currently the Payment Standards in the City of Long Beach are
one hundred ten percent (110%) of the HUD Small Area Fair Market Rent and insufficient
to meet market rate rents; and

WHEREAS, increasing the Payment Standards to one hundred twenty
percent (120%) for all zip codes in Long Beach will allow existing families to remain
housed, new families may lease up, and owners are compensated closer to the current
market rate;

NOW, THEREFORE, the Housing Authority of the City of Long Beach,
California resolves as follows:

Section 1. The Housing Authority adopts the revised Payment Standard
Schedule for its Section 8 Housing Choice Voucher Program effective February 15, 2017,
for all zip codes in Long Beach, attached hereto as Exhibit "A" and made a part hereof.

Section 2. The Clerk will certify to the passage of this resolution by the
Housing Authority of the City of Long Beach, California, and it will immediately take

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effect.

I certify that the foregoing resolution was adopted by the Housing Authority of the City of Long Beach, California, at its meeting of _____, 2017, by the following vote of the qualified members of the Authority:

Ayes: Commissioners: _____

Noes: Commissioners: _____

Absent: Commissioners: _____

City Clerk

CERTIFICATE OF RECORDING OFFICER

I, the undersigned, the duly qualified and acting Clerk of the Housing Authority of the City of Long Beach, California, do certify:

1. That the attached resolution is a true and correct copy of a resolution as finally adopted by a duly called meeting of the Housing Authority of the City of Long Beach, California held on _____, 2017 and duly recorded in the official records of the Governing Body; that the resolution has not been amended, modified, or rescinded, and is now in full force and effect;

2. That the meeting was duly convened and held in all respects in accordance with law; that to the extent required by law, due and proper notice of the meeting was given; that a legal quorum was present throughout the meeting and that a legally sufficient number of members of the Housing Authority of the City of Long Beach, California voted in the proper manner for adoption of the resolution; that all other requirements and proceedings under the law incident to the proper adoption or passage of the resolution, including publication, if required, have been duly fulfilled, carried out, and otherwise observed; that I am authorized to execute this Certificate; and that the seal affixed below constitutes the official seal of the Housing Authority of the City of Long Beach, California and this Certificate is executed under that official seal.

IN WITNESS WHEREOF, I have set my hand on _____, 2017.

(Signature)
CITY CLERK

FISCAL YEAR 2017 PAYMENT STANDARDS

	0 Bdrm	1 Bdrm	2 Bdrm	3 Bdrm	4 Bdrm	5 Bdrm	6 Bdrm	7 Bdrm
Zip Code								
90802	\$996	\$1,200	\$1,572	\$2,124	\$2,388	\$2,747	\$3,104	\$3,463
90803	\$1,284	\$1,536	\$2,016	\$2,724	\$3,072	\$3,533	\$3,994	\$4,454
90804	\$1,068	\$1,296	\$1,692	\$2,292	\$2,580	\$2,968	\$3,354	\$3,742
90805	\$1,032	\$1,236	\$1,620	\$2,196	\$2,472	\$2,843	\$3,214	\$3,584
90806	\$996	\$1,200	\$1,572	\$2,124	\$2,388	\$2,747	\$3,104	\$3,463
90807	\$1,140	\$1,368	\$1,788	\$2,412	\$2,724	\$3,133	\$3,541	\$3,950
90808	\$1,368	\$1,644	\$2,148	\$2,904	\$3,264	\$3,754	\$4,243	\$4,733
90810	\$1,032	\$1,236	\$1,620	\$2,196	\$2,472	\$2,843	\$3,214	\$3,584
90813	\$924	\$1,104	\$1,452	\$1,968	\$2,208	\$2,539	\$2,870	\$3,202
90814	\$1,128	\$1,356	\$1,776	\$2,400	\$2,700	\$3,106	\$3,510	\$3,916
90815	\$1,488	\$1,788	\$2,340	\$3,168	\$3,564	\$4,099	\$4,633	\$5,168
90822	\$1,176	\$1,404	\$1,848	\$2,496	\$2,808	\$3,229	\$3,650	\$4,072