



**REX RICHARDSON**  
LONG BEACH VICE MAYOR

**Date:** April 4, 2017

**To:** Honorable Mayor Robert Garcia and Members of the City Council

**From:** Vice Mayor Rex Richardson, Ninth District *RR*  
Councilmember Jeannine Pearce, Second District *JP*  
Councilmember Stacy Mungo, Fifth District *SM*  
Councilmember Roberto Uranga, Seventh District *RU*

**Subject:** "Lease Up LB" Housing Choice Voucher Program Landlord Incentive Package

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**RECOMMENDATION:**

Respectfully request the City Manager, the Department of Health and Human Services and the Development Services Department to develop an incentive package to encourage landlord acceptance of subsidized tenants through the Housing Choice Voucher Program, and return to the City Council in 30 days. The incentive package should incorporate the following options:

- Align and streamline the current city-mandated inspections with the HUD-mandated Housing Choice Voucher inspections;
- Waive various permits and inspection costs for apartment owners who accept Housing Choice Vouchers;
- Create a Damage Mitigation Fund which provides financial assistance to landlords to mitigate damage caused by tenants during their occupancy under the Housing Choice Voucher Program;
- Provide landlords vacancy payments to hold units while the landlord is going through the Housing Choice Voucher Program approval process.

**Discussion**

Fully funded by the U.S. Department of Housing and Urban Development (HUD), the Housing Authority of the City of Long Beach (HACLB) administers the City's Rental Housing Assistance Programs. These programs are designed to provide financial and technical assistance services to low-income, elderly, and disabled residents of Long Beach, so they can live with dignity in decent, safe, and sanitary housing conditions.



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Currently HACLB, in partnership with more than 2,600 property owners, assists over 6,800 households that lease units in the City of Long Beach, through various programs including the Housing Choice Voucher Program (HCVP). The HCVP (commonly known as Section 8) is a tenant-based rental assistance program that offers very low-income tenants a housing assistance subsidy so the household can afford to rent a privately-owned residence. HCVP currently receives \$68 million in HUD funding, lending the Housing Authority the opportunity to provide 7,398 families and/or individuals with permanent, stable housing.

### ***The Problem***

For many years, an annual audit has designated HACLB a "high performing" agency due to attaining a Housing Choice Voucher utilization rate of 98%. However, with the conclusion of FY 2016, HACLB was only at 88% voucher allocation, resulting in a "standard" agency designation, rather than the "high performing" agency. Continuing to decline, as of March 1<sup>st</sup>, the Housing Choice Voucher Program was at an 85% lease up rate, equating to 6,305 vouchers being utilized, with over 1,000 voucher holders currently seeking housing in the City of Long Beach. Failure to fully utilize the currently funded vouchers places the Housing Authority in jeopardy of losing funding.

### ***The Opportunity***

To attain increased program utilization, the Office of Vice Mayor and Housing Authority Chair Rex Richardson engaged in a process in partnership with the Apartment Association of California Southern Cities and the Long Beach Housing Authority to engage apartment owners to identify causes for the recent decline in use of the Housing Choice Voucher Program. Through this process, we convened several focus groups and administered over 200 apartment owner surveys.

Based on our findings, a number of recommendations have emerged to help increase the voucher lease-up rate. The findings included the need for more outreach and education to landlords to address misconceptions about the program, and several internal changes to streamline the program. As such, the City of Long Beach should provide an incentive package to encourage landlords to accept subsidized tenants, thus increasing the utilization rate of the HCVP and housing more of our Long Beach families and individuals in safe, stable environments.

By increasing the lease up rate, we can prevent as many as 600 Long Beach families from slipping into homelessness.

### **Fiscal Impact**

There is no major fiscal impact for creating the incentive program. There may be fiscal impact within the incentive program which will be assessed when the program returns to the City Council.