



CITY OF LONG BEACH

DEPARTMENT OF HEALTH AND HUMAN SERVICES

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HOUSING AUTHORITY
of the City of Long Beach

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

December 11, 2018

HONORABLE HOUSING AUTHORITY COMMISSION
City of Long Beach
California

RECOMMENDATION:

Adopt 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 immediately, for all zip code areas in Long Beach, excluding 90809. (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. Annually, the U.S. Department of Housing and Urban Development (HUD) issues new Fair Market Rents (FMR) that are reviewed at the local level. Based on rising rents and low inventory in the Long Beach market, action is needed to relieve rent burden to subsidized participants.

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. Since September 2012, the Housing Authority has applied Small Area Fair Market Rents (SAFMRs) by zip codes and not geographic-wide metropolitan areas. By using the SAFMR, the rents are more reflective of the actual area.

New HUD SAFMRs published October 1, 2018 for Fiscal Year 2019 are below the Housing Authority's current payment standards and are insufficient to support local FMRs. By regulation, the Housing Authority can set payment standards between 90 and 110 percent of the HUD published FMRs based on market analysis and need. In FMR areas, where higher payments standards are necessary to increase housing choice opportunities, FMRs are based on the 50th percentile rents and are made available by approval from the HUD Field Office Director. On October 25, 2018, the Los Angeles Field Office approved the Housing Authority's request for success rate payment standards in four zip codes where the highest number of participants face rent burdens of 40 percent and higher.

The Housing Authority is requesting to adjust the payment standard to reflect amounts between 90 and 110 percent of the 40th percentile rents of the current Fiscal Year 2018 SAFMRs for zip codes 90802, 90803, 90807, 90808, 90810, 90814 and 90815, and to continue to apply the success rate of 50th percentile rents in zip codes 90804, 90805,

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90806, and 90813 to allow existing families to remain housed, new families to lease up, and provide compensation to owners closer to current market rates. Of note, the 90809 zip code is excluded as the zip code is primarily industrial in nature and there are no rental units within that zip code.

The rental vacancy rate in Long Beach continues to remain low and rents are rising for the limited number of affordable units available. There are over 550 voucher holders in Long Beach searching for housing now. Even with this change in payment practice, it is anticipated that fewer than 50 percent will be successful in obtaining housing. Funding for this increase is possible based on current HUD disbursements and existing Housing Assistance Payment reserves.

This matter was reviewed by Deputy City Attorney Linda T. Vu on November 16, 2018 and by Revenue Management Officer Geraldine Alejo on November 20, 2018.

TIMING CONSIDERATIONS

Housing Authority Commission action is requested on December 11, 2018.

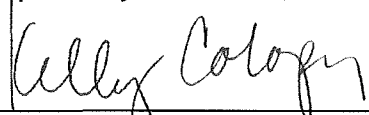
FISCAL IMPACT

The maximum cost of the 10 percent increase is currently estimated at \$6,500,000. Funding for this increase is available from HUD monthly disbursements and the Housing Assistance Payments reserves and would assist in negotiating new rents for rental assistance participants. Funds are currently appropriated in the Housing Authority Fund (SR 151) in the Health and Human Services Department (HE) and are estimated to cover the period of December 11, 2018 through September 30, 2019. An increase in appropriations is not requested at this time. However, if necessary, the Department will return to the City Council with a request to increase appropriations, offset by the Housing Assistance Payments funding reserved for this purpose.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



KELLY COLOPY
ASSISTANT EXECUTIVE DIRECTOR

APPROVED:



PATRICK H. WEST
EXECUTIVE DIRECTOR

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 IMMEDIATELY, 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, HUD initiated a Small Area Fair Market Rent ("SAFMR")
Program that further analyzes metropolitan area rental rates by zip codes, in which the
Housing Authority of the City of Long Beach does participate; and

WHEREAS, currently the Payment Standards in the City of Long Beach are
one hundred percent (100%) of the HUD SAFMRs for Fiscal Year 2019 and insufficient to
meet market rate rents; and

WHEREAS, to adjust the Payment Standards to reflect amounts between
ninety percent (90%) and one hundred ten percent (110%) of the 40th Percentile Rents of
the current Fiscal Year 2018 SAFMRs for zip codes 90802, 90803, 90807, 90808, 90809,
90810, 90814 and 90815, and to continue to apply the success rate of the 50th Percentile
Rates in zip codes 90804, 90805, 90806 and 90813 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;

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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 immediately, 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 effect.

I certify that the foregoing resolution was adopted by the Housing Authority of the City of Long Beach, California, at its meeting of _____, 2018, by the following vote of the qualified members of the Authority:

OFFICE OF THE CITY ATTORNEY
CHARLES PARKIN, City Attorney
3333 West Ocean Boulevard, 11th Floor
Lona Beach, CA 90802-4664

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 _____, 2018 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 _____, 2018.

(Signature)
CITY CLERK

EXHIBIT “A”



Health and Human Services

521 E. Fourth Street

Long Beach, CA 90802

Tel 562 570-6985

Fax 562 499-1061

FISCAL YEAR 2019 PAYMENT STANDARDS

Effective 12/12/2018

	0 Bdrm	1 Bdrm	2 Bdrm	3 Bdrm	4 Bdrm	5 Bdrm	6 Bdrm	7 Bdrm
90802	\$1,291	\$1,543	\$1,995	\$2,677	\$2,940	\$3,381	\$3,822	\$4,263
90803	\$1,607	\$1,922	\$2,489	\$3,339	\$3,675	\$4,226	\$4,778	\$5,329
90804	\$1,431	\$1,719	\$2,218	\$2,979	\$3,268	\$3,758	\$4,249	\$4,739
90805	\$1,352	\$1,614	\$2,087	\$2,796	\$3,071	\$3,532	\$3,993	\$4,453
90806	\$1,378	\$1,641	\$2,126	\$2,848	\$3,137	\$3,607	\$4,078	\$4,548
90807	\$1,302	\$1,554	\$2,016	\$2,699	\$2,972	\$3,417	\$3,863	\$4,309
90808	\$1,439	\$1,722	\$2,226	\$2,982	\$3,287	\$3,779	\$4,272	\$4,765
90810	\$1,040	\$1,239	\$1,607	\$2,153	\$2,373	\$2,729	\$3,085	\$3,441
90813	\$1,263	\$1,513	\$1,950	\$2,613	\$2,875	\$3,306	\$3,738	\$4,169
90814	\$1,291	\$1,543	\$1,995	\$2,677	\$2,940	\$3,381	\$3,822	\$4,263
90815	\$1,491	\$1,785	\$2,310	\$3,098	\$3,413	\$3,924	\$4,436	\$4,948

*Applicable to all contracts received on or after December 12, 2018 and to annual recertifications effective January 1, 2019.

**Applicable to HCV, HOPWA, and VASH.