



Legislation Text

File #: 16-0305, **Version:** 1

Recommendation to adopt 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 April 5, 2016. (Citywide)

In April of this year, the Housing Authority Commission approved a request to raise the Housing Authority Payment Standard to 110% of the HUD Fair Market Rent (FMR) Schedule, which was published October 1, 2014. At that time, the raise in the Payment Standard was only for zip codes 90802, 90803, 90807, 90813 and 90815. Since then, rental costs have risen even higher, and low vacancy rates are pervasive throughout the City, adding to the rent burden faced by our most vulnerable families. New HUD Fair Market Rents were published October 1, 2015. Although there has been a small increase in HUD FMR for Long Beach, families are still having great difficulty in finding affordable units. Therefore, we are asking to adjust our current payment standard to reflect 110% of the current HUD FMR 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.

FMRs are published by HUD for each metropolitan standard statistical area and change annually. The FMR is the maximum monthly subsidy for an assisted family. The Payment Standard for each Housing Authority is based on 90-110% of the published FMR for the Housing Authority Jurisdiction. The Long Beach Housing Authority is in the 4th year of a demonstration project that uses Small Area FMRs that are determined by zip codes specifically for the Long Beach area. HUD's purpose in determining the rate at the zip code level is to subsidize at a higher or lower amount given the market demands in that area, instead of region-wide or county-wide.

The rental vacancy rate in Long Beach is at a ten-year low which is helping to drive up the costs of available units. Currently, there are over 300 voucher holders in Long Beach searching for units. With the current Payment Standard, fewer than 40% are leasing up within the 120 days allotted to each voucher holder. Even with extensions to the voucher, for a maximum of 180 days, successful lease up is only 50%. New applicants pulled from our waiting list, many of whom have been waiting in excess of ten years, are not able to find suitable affordable housing with the long awaited voucher. Funding for this change is within our current HUD budget and would assist in negotiating new rents for rental assistance participants.

This matter was reviewed by Deputy City Attorney Linda Vu on October 28, 2015, and by Budget Management Officer Victoria Bell on October 29, 2015.

Housing Authority Commission action is requested on November 10, 2015 to provide the updated Payment Standard to be effective November 11, 2015.

As noted in the Financial and Operational Performance Report for the month of August 2015, excess HAP HUD funding levels are available to absorb the 10% increase in Per Unit Cost (PUC).

Approve recommendation.

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 NOVEMBER 11, 2015, FOR ALL ZIP CODE AREAS IN LONG BEACH

KELLY COLOPY
ASSISTANT EXECUTIVE DIRECTOR

APPROVED:

PATRICK H. WEST
EXECUTIVE DIRECTOR