



# CITY OF LONG BEACH

DEPARTMENT OF HEALTH AND HUMAN SERVICES

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

July 16, 2019

Honorable Mayor and City Council  
City of Long Beach  
California

## RECOMMENDATION:

Authorize the City Manager, or designee, to increase appropriations in the Housing Authority Grants Fund in the Health and Human Services Department by \$16,500,000, offset by U.S. Department of Housing and Urban Development grant revenue, for a revised total of \$83,792,422, for the provision of Housing Assistance Payments, for the period of October 1, 2018 through September 30, 2019. (Citywide)

## DISCUSSION:

The Housing Authority of the City of Long Beach (Housing Authority) was established in 1969 to meet the housing needs of low-income residents of the City of Long Beach (City). As part of its service to residents, the Housing Authority provides rental Housing Assistance Payments (HAP) to persons of very-low, low-, and moderate-income of the City, as well as disabled residents, utilizing funds allocated to the Housing Authority under the U.S. Department of Housing and Urban Development (HUD) Housing Choice Voucher Program, formerly known as "Section 8."

The recent spike in the rental market has driven up subsidy amounts, seeing an increase in per unit costs of up to 20 percent since the beginning of January 2019. The effects of the Los Angeles County Measure H funds for persons facing homelessness, increased owner participation, with minor increases in vacancy rates. The Housing Authority has experienced an unforeseen 4.5 percent rise in voucher utilization since June 2018. For these reasons, we must adjust Housing Assistance Payment expenses to continue providing rental revenue to our owner population. The increased amount will be 100 percent covered by HUD funding.

This matter was reviewed by Deputy City Attorney Taylor M. Anderson on June 26, 2019 and by Revenue Management Officer Geraldine Alejo on July 1, 2019.

## TIMING CONSIDERATIONS

City Council action is requested on July 16, 2019, as the Housing Authority projects to exhaust existing HAP Program budget appropriation by August 1, 2019.

HONORABLE MAYOR AND CITY COUNCIL

July 16, 2019

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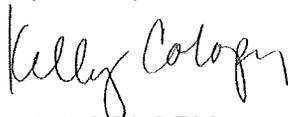
FISCAL IMPACT

The budget for the HAP Program is currently \$67,292,422. An appropriation increase of \$16,500,000 is requested in the Housing Authority Grants Fund in the Health and Human Services Department, fully offset by HUD grant revenues. No match or in-kind service mandate is required. This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. There is no local job impact associated with this recommendation.

SUGGESTED ACTION:

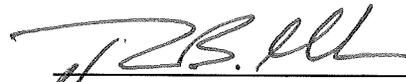
Approve recommendation.

Respectfully submitted:



KELLY COLOPY  
DIRECTOR OF HEALTH AND  
HUMAN SERVICES

APPROVED:



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PATRICK H. WEST  
CITY MANAGER