

## 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

November 12, 2019

HONORABLE HOUSING AUTHORITY COMMISSION City of Long Beach California

#### RECOMMENDATION:

Adopt a Resolution approving a Voucher Payment Standard Schedule for the Section 8 Housing Choice Voucher Program, effective January 1, 2020, 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 publish 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 that are reviewed at the local level. Based on rent burden analysis, a change to the current Payment Standards is not required.

The Housing Authority is requesting approval to publish the Payment Standard to reflect amounts between 90 and 110 percent of the 40th Percentile Rents for Long Beach zip codes 90802, 90803, 90807, 90808, 90909, 90810, 90814, and 90815; and, continue to apply the success rate of 50<sup>th</sup> Percentile Rents previously authorized by HUD for the second year of a three-year approval period in zip codes 90804, 90805, 90806, and 90813, between 90 and 110 percent (Exhibit A to Resolution).

New HUD Small Area Fair Market Rents (SAFMRs) were published October 1, 2019 for Fiscal Year 2020. By regulation, the Housing Authority can set payment standards between 90 and 110 percent of the HUD published fair market rents based on market analysis and need. Rent requests above 110 percent may be approved by the HUD Public and Indian Housing Field Office Director up to 120 percent. In Fair Market Rent (FMR) areas, where higher payment standards are necessary to increase housing choice opportunities, FMR's are based on the 50th percentile rents and are made available by approval from the HUD Field Office Director. On October 25, 2017, the Los Angeles Field Office approved the City of Long Beach'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.

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 SAFMRs by zip codes and not

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geographic-wide metropolitan areas. By using the SAFMR, the rents are more reflective of the actual area.

This matter was reviewed by Deputy City Attorney Richard F. Anthony on October 28, 2019 and by Revenue Management Officer Geraldine Alejo on October 25, 2019.

#### TIMING CONSIDERATIONS

Housing Authority Commission action is requested on November 12, 2019.

#### FISCAL IMPACT

There are no changes to the Voucher Payment Standard Schedule. As a result, there will be no changes to associated expenditures. Funding to support the Housing Choice Voucher program are appropriated in the Housing Authority Fund Group in the Health and Human Services Department, fully offset by disbursements from HUD for Housing Assistance Payments. 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

ASSISTANT EXECUTIVE DIRECTOR

APPROVED:

THOMAS B. MODICA

ACTING EXECUTIVE DIRECTOR

Attachment A – FY 2020 Payment Standard

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 2020 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 40<sup>th</sup> Percentile Rents of the current Fiscal Year 2019 SAFMRs for zip codes 90802, 90803, 90807, 90808, 90809, 90810, 90814 and 90815, and to continue to apply the success rate of the 50<sup>th</sup> 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;

IIII

2	California resolves as follows:											
3	Sec	tion 1.	The Housing	g Authority adopts the revised Payment Standard								
4	Schedule for its Section 8 Housing Choice Voucher Program effective immediately, for al											
5	zip codes in Long Beach, attached hereto as Exhibit "A" and made a part hereof.											
6	Sec	tion 2.	The Clerk w	vill certify to the passage of this resolution by the								
7	Housing Authority of the City of Long Beach, California, and it will immediately take											
8	effect.											
9	I certify that the foregoing resolution was adopted by the Housing Authority											
10	of the City of Long Beach, California, at its meeting of, 2019											
11	by the following vote of the qualified members of the Authority:											
12												
13	Ayes:	Com	missioners:									
14												
15												
16												
17	Noes:	Com	missioners:									
18												
19	Absent:	Com	missioners:									
20												
21												
22												
23				City Clerk								
24												

NOW, THEREFORE, the Housing Authority of the City of Long Beach,

# OFFICE OF THE CITY ATTORNEY CHARLES PARKIN, City Attomey 411 West Ocean Boulevard, 9th Floor Long Beach. CA 90802

#### 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:

- 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 \_\_\_\_\_\_, 2019.

(Signature) CITY CLERK

# EXHIBIT "A"



## FISCAL YEAR 2020 PAYMENT STANDARDS

### Effective 1/1/2020

	0	1	2	3	4	5	6	7
	Bdrm	Bdrm	Bdrm	Bdrm	Bdrm	Bdrm	Bdrm	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 <u>,4</u> 31	\$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 <u>,</u> 306	\$3,738	\$4,169
90814	\$1,291	\$1,543	\$1,995	\$2,677	\$2,940	\$3 <u>,</u> 381	\$3,822	\$4,263
90815	\$1,491	\$1,785	\$2,310	\$3,098	\$3,413	\$3,924	\$4,436	\$4,948

<sup>\*</sup>Applicable to all contracts received on or after December 1, 2019 and to annual recertifications effective January 1, 2020.

<sup>\*\*</sup>Applicable to HCV, HOPWA, and VASH.