

CITY OF SANTA ROSA
HOUSING AUTHORITY

TO: HOUSING AUTHORITY COMMISSIONERS
FROM: REBECCA LANE, HOUSING AND COMMUNITY SERVICES
MANAGER
HOUSING AND COMMUNITY SERVICES
SUBJECT: UPDATE TO HOUSING CHOICE VOUCHER PROGRAM
ADMINISTRATIVE PLAN PROJECT-BASED VOUCHER
POLICIES AND OPENING OF A REQUEST FOR PROPOSALS
FOR PROJECT-BASED VOUCHERS

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the Department of Housing and Community Services that the Housing Authority, by resolution, adopt revisions to the Housing Choice Voucher Program Administrative Plan Chapter 17 – Project Based Vouchers to incorporate regulatory changes authorized under the Housing Opportunity Through Modernization Act of 2016, including a change in the current Administrative Plan policy to increase the number of Project Based Voucher units allowed in the Housing Choice Voucher program if those units are specifically made available to house individuals and families who are homeless or if those units are specifically made available to house families that are comprised of or include a veteran.

In addition, the Department of Housing and Community Services recommends that the Housing Authority, by motion, approve the release of a Request for Proposals (RFP) for Project-Based Vouchers to solicit proposals specifically for units to be made available to house individuals and families who are homeless.

EXECUTIVE SUMMARY

The Administrative Plan is the major policy document guiding the ongoing administration of the federally regulated Housing Choice Voucher (HCV) program. Where allowed under law, the U.S. Department of Housing and Urban Development (HUD) permits local jurisdictions to establish policies pertaining to the program. Chapter 17 of the Santa Rosa Housing Authority Administrative Plan outlines the policies regarding the use of Project Based Vouchers within the HCV program. The Housing Opportunity Through Modernization Act of 2016 (HOTMA) authorized regulatory changes specific to the use of Project Based Vouchers; implementation guidance was

UPDATE TO HOUSING CHOICE VOUCHER PROGRAM ADMINISTRATIVE PLAN
PROJECT-BASED VOUCHER POLICIES AND OPENING OF A REQUEST FOR
PROPOSALS FOR PROJECT-BASED VOUCHERS
PAGE 2 OF 5

provided by HUD in PIH Notice 2017-21 and subsequent notices. HOTMA allows a Public Housing Authority (PHA) to increase the number of Project-Based Voucher units in its HCV program if the units fall into certain eligible exception categories. In addition to minor updates to policy language throughout Chapter 17, the revisions proposed to the Santa Rosa Housing Authority Administrative Plan in this item will allow the HCV program to increase the number of units available for project-basing from 20 percent to 25 percent, so long as the units are set aside for people who are homeless or are veterans.

BACKGROUND

The Department of Housing and Community Services (HCS) administers the HCV program for the City of Santa Rosa Housing Authority (Housing Authority). The HCV program, formerly known as Section 8, is a federally funded rental assistance program for qualifying extremely low and very low-income households. The Housing Authority currently has 1,903 vouchers under its Annual Contributions Contract (ACC) with HUD. In addition, the HCV program administers assistance for approximately 275 Santa Rosa households utilizing vouchers from other jurisdictions, referred to as “port-ins.”

The HCV program provides a form of tenant-based rental assistance in which the voucher holder pays 30% of their monthly adjusted income towards the rent in a property of their choice; the Housing Authority pays the balance of the rent directly to the owner. The Project Based Voucher (PBV) program is a component of the HCV program that allows a Public Housing Authority (PHA) to attach up to 20% of its vouchers to units in specific projects; this percentage limitation is known as the PBV “program cap.” In the PBV program, a property developer agrees to set aside a portion of the units in a new, rehabilitated, or existing housing development for voucher holders that are referred through the PHA. The PBV program helps promote affordable housing development and preservation by allowing housing developers to leverage the PBV funds to secure other forms of financing for their projects.

HOTMA changed the program cap to allow a PHA to use an additional 10% of its voucher funding for PBV units that are set aside for any of the following uses: dedicated units for individuals and families who meet the definition of homeless under section 103 of the McKinney-Vento Homeless Assistance Act, dedicated units for families that are comprised of or include a veteran, units that provide supportive housing to persons with disabilities or elderly persons, or units that are located in a census tract with a poverty rate of 20 percent or less. These additional units above the program cap are called exception units.

UPDATE TO HOUSING CHOICE VOUCHER PROGRAM ADMINISTRATIVE PLAN
PROJECT-BASED VOUCHER POLICIES AND OPENING OF A REQUEST FOR
PROPOSALS FOR PROJECT-BASED VOUCHERS
PAGE 3 OF 5

PRIOR HOUSING AUTHORITY REVIEW

On March 26, 2007 the Housing Authority authorized staff to design a PBV program.

On August 27, 2007 the Housing Authority adopted the policies outlining the PBV program, which were incorporated as Chapter 22 in the Administrative Plan.

On December 17, 2012 the Housing Authority adopted numerous revisions to the Administrative Plan, including regulatory changes related to the PBV program and moving the policies in the Administrative Plan from Chapter 22 to Chapter 17.

ANALYSIS

The current PBV program policies in the Administrative Plan allow for the standard program cap of 20% of the units in the ACC to be set aside for PBVs. Since 2007 when the PBV program was enacted locally, 369 vouchers have been set aside for use as PBVs, an equivalent of 19.4% of the current 1903 ACC units. Of the 369 units, 139 are operational in existing developments, 90 are in projects currently under construction and 140 are allocated to developments that have not yet begun construction. The 369 PBV units are scattered across 16 projects with a total of 1,154 affordable housing units.

Housing developers in Santa Rosa continue to show interest in strategically utilizing using PBVs in 100% affordable projects. Project-basing units allows a developer to assume Fair Market Rate (FMR) rents on the PBV units in their cash flow projections, while also ensuring that those same units will be affordable to extremely low and very-low income families.

The proposed revision to the Administrative Plan policies would allow for up to an additional 5% of Santa Rosa's HCV units to be dedicated to exception units for people who are homeless or for veterans, bringing the total allowable PBV units to 25% of the HCV program size, or 475 units within the current ACC. Exception units provide housing to individuals and families who may benefit from supportive services and housing designed around the needs of the special populations for which the units are targeted.

If the change to the program cap is approved, this action will also approve the release of a Request for Proposals (RFP) for Project-Based Vouchers for projects providing permanent supportive housing for the formerly homeless including units that are dedicated for individuals and families who meet the definition of homeless under section 103 of the McKinney-Vento Homeless Assistance Act.

In addition to the proposed increase to the program cap, the current Santa Rosa Housing Authority Administrative Plan policies were adopted prior to the regulatory changes enacted under HOTMA and need updating. These changes include:

UPDATE TO HOUSING CHOICE VOUCHER PROGRAM ADMINISTRATIVE PLAN
PROJECT-BASED VOUCHER POLICIES AND OPENING OF A REQUEST FOR
PROPOSALS FOR PROJECT-BASED VOUCHERS
PAGE 4 OF 5

- Revisions to the policies regarding the cap on the number of units in each project to align with HOTMA definitions
- Updating HQS inspection policies to align with biennial inspection patterns
- Updating policies on the term of the HAP contract to align with HOTMA
- Updating the list of PBV projects for which the PHA has established separate waiting lists
- Update policies related to initial tenant lease term and lease renewals to clarify language
- Add policies regarding emergency unit transfers related to the Violence Against Women Act (VAWA)
- Update policies regarding adjustments to the contract rent on PBV units

A summary of the changes to Chapter 17 is provided in Attachment 2.

FISCAL IMPACT

The proposed changes to the Administrative Plan do not have a fiscal impact on the HCV program; the funding is already available under the ACC with HUD.

ENVIRONMENTAL IMPACT

The Housing Authority finds that the proposed action to update the policies in the Administrative Plan is exempt from the provisions of the California Environmental Quality Act (CEQA) under section 15061(b)(3) and 15378 in that there is no possibility that the implementation of this action may have significant effects on the environment, and that no further environmental review is required.

Proposed PBV projects must each complete an environmental review prior to entering into contract with the PHA.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Not applicable.

UPDATE TO HOUSING CHOICE VOUCHER PROGRAM ADMINISTRATIVE PLAN
PROJECT-BASED VOUCHER POLICIES AND OPENING OF A REQUEST FOR
PROPOSALS FOR PROJECT-BASED VOUCHERS
PAGE 5 OF 5

ATTACHMENTS

- Attachment 1 – Housing Choice Voucher Program Administrative Plan Chapter 17: Project-Based Vouchers
- Attachment 2 – Request for Proposals for Project-Based Vouchers
- Exhibit A – Summary of proposed changes to the Administrative Plan
- Resolution

CONTACT

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