

To: Contra Costa County Housing Authority Board of Commissioners
 From: Joseph Villarreal, Housing Authority
 Date: December 11, 2018



Contra
Costa
County

Subject: PUBLIC HOUSING AGENCY ANNUAL PLAN FOR FISCAL YEAR 2019

RECOMMENDATIONS

OPEN the public hearing on the Housing Authority's Annual Plan for fiscal year 2019, RECEIVE testimony, and CLOSE the public hearing.

ADOPT Resolution No. 5218 titled the "PHA Certification of Compliance with the PHA Plans and Related Regulations: Board Resolution to Accompany the PHA 5-Year and Annual PHA Plan" approving the Public Housing Agency (PHA) Annual Plan for fiscal year 2019, including revisions to the Admissions and Continued Occupancy Plan and the Section 8 Administrative Plan.

BACKGROUND

Any local, regional or state agency that receives funds to operate a federal public housing or housing choice voucher (Section 8) program must submit a Public Housing Agency (PHA) Plan. The PHA Plan is a template that outlines public housing agency policies, programs, operations, and strategies for meeting local housing needs and goals. There are two parts to the PHA Plan: the Five-Year Plan, which each PHA submits to the U.S. Department of Housing and Urban Development (HUD) once every fifth PHA fiscal year, and the Annual Plan, which is submitted to HUD every year.

Action of Board On: **12/11/2018** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

VOTE OF COMMISSIONERS

AYE: Candace Andersen,
Commissioner
Diane Burgis,
Commissioner
Karen Mitchoff,
Commissioner
Federal D. Glover,
Commissioner

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: December 11, 2018

Joseph Villarreal, Executive Director

ABSENT: John Gioia, Commissioner
Jannel George-Oden,
Commissioner

By: June McHuen, Deputy

Contact: 925-957-8028

cc:

The Five-Year Plan describes the agency's mission and the long-term goals for achieving that mission over the subsequent five years. The Annual Plan provides details about the PHA's current programs and the

BACKGROUND (CONT'D)

resident population served, as well as the PHA's strategy for addressing the housing needs of currently assisted families and the larger community. The Annual Plan also serves as the PHA's yearly request for grants to support improvements to public housing buildings (through the Capital Fund Program).

As required by HUD, Housing Authority (HACCC) staff provided public notice of this hearing in the Contra Costa Times on October 15th and 17th, 2018. Staff met with the agency's Resident Advisory Board (RAB) on October 3, 17th and 30th, 2018 and November 28, 2018 to discuss the proposed Plan. The RAB approved the proposed changes to the Annual Plan at the November 28, 2018 meeting.

The following sections discuss the major changes proposed by staff to the Annual Plan, its elements and to HACCC's policies.

Public Housing

The changes proposed to HACCC's Admissions and Continued Occupancy Plan are as follows:

- **Chapter 9 – Introduction:** In accord with the FAST Act, HUD allows PHAs the option to perform triennial reexaminations for families paying income-based or flat rent. HACCC will perform triennial examinations per HUD's FAST Act.
- **Chapter 9-I.A. Overview:** Language will be updated to reference converting annual reexaminations to triennials per the FAST Act (24 CFR 960.257)
- **Chapter 11 - Community Service:** language will be updated to reference PIH notice 2015-12, to allow residents to make up delinquent hours within 120 days of lease termination and include self-certification ability.

Capital Fund

The Capital Fund program provides PHAs with annual funding from HUD for public housing development, financing and modernization as well as for management improvements and security costs. Capital fund dollars cannot be used for luxury improvements, direct social services, costs funded by other HUD programs or any other ineligible activities as determined by HUD on a case-by-case basis. PHAs must report annually on how they plan to use outstanding capital funds as part of the PHA Plan process.

The proposed PHA Plan shows ongoing and planned capital fund activity. The following projects have been drafted for HACCC's Federal Fiscal Year (FFY) 2016, 2017, 2018, 2019 capital fund grants:

- \$1,441,000 for relocation costs during the RAD disposition of Las Deltas in North Richmond.
- \$427,000 for non-routine maintenance repairs (ordinary maintenance items such as window and flooring replacement or electrical repair where the scale of damage is beyond the scope of day-to-day maintenance) at various properties.
- \$336,000 for site improvements to all properties, including ADA and landscape modernization.
- \$229,000 for unscheduled and emergency unit modernization and site improvements at various properties.
- \$143,000 for landslide repair at Alhambra Terrace in Martinez.
- \$70,000 for office, networking and computer equipment for on-site management offices at various properties.
- \$62,000 for new appliances at various properties.
- \$30,000 for construction and rehabilitation of on-site management offices at various properties.

Housing Choice Voucher

Changes to the Section 8 Administrative Plan are as follows:

- Added Chapter 18 - PBV Under the Rental Assistance Demonstration (RAD) Program to the table of contents.
- Deleted Housing Rights, Inc as a local agency where you can file housing discrimination. All complaints should be filed with HUD's Office of Fair Housing and Equal Opportunity.
- Added the Mainstream Program for Non-Elderly Disabled Households as a Special Purpose Funding source. This permits participants of the program to bypass the Housing Choice Voucher (HCV) waiting list.
- Added a preference for participants of the Mainstream Program to the list of HCV waiting list preferences. Permits 250 points be awarded to participants so that they can rise to the top and be assisted immediately.
- Deleted a section where the preferences were repeated within the same chapter of the Administrative Plan.
- Added a time frame within which lead based paint hazards must be corrected when there is a child under six living in the household. Owners will have 30 days to make corrections.
- Defined the period when a triennial income certification is permitted and clarified when non-fixed incomes will be verified. If at least 90% of the household income is from a fixed source, then can certify the income every three years and all non-fixed income will be verified every 3rd year. If at least one source of income is fixed but accounts for less than 90 % of the household's income, HACCC shall verify non-fixed income annually.
- Modified the homeownership section of the Administrative Plan to bring it to

conformity with the Nan McKay template. Modifications were made as follows:

1. Clarified that only participants in good standing could enroll in the homeownership program and provided clarification of how good standing is defined.
 2. Changed the eligibility for homeownership to require that the head of household rather than one or more adult family members must be employed for one year prior to the start of homeownership participation.
 3. Clarified when a homeownership participant will be required to undergo post-purchase housing counseling. Mainly when violating obligations or failing to perform to program expectations.
 4. Specified that a Housing Quality Standards inspection must be conducted and passed prior to closing on a sale.
 5. Added a requirement that the family be required to provide at least 1% of the down payment from their own savings or escrow account.
 6. Specified the requirements for continued assistance under the homeownership program.
 7. Specified that the family must execute a Statement of Homeownership Participation prior to participation in homeownership.
 8. Added a requirement for continued employment, subject to mitigation, while participating in the homeownership program.
 9. Added language regarding the prohibition on sale or conveyance of the property.
 10. Clarified several Family obligations that are further specified in the Statement of Homeownership Participation.
 11. Removed duplicate language from the existing Administrative Plan.
 12. Added language regarding the family's right to an informal hearing if they are being terminated from the HCV Homeownership Program
 13. Added language regarding recapture of the homeownership assistance paid on behalf of the family in the event of fraud or misrepresentation of material facts.
- Payment Standard changes will be effective on January 1st of every year or within 90 days/3 months of the HUD published Fair Market Rent effective date, whichever is earlier.
 - Added language regarding the appeal process for informal hearing decisions and established a line of appeal to the Executive Director or their designee when appealing a hearing decision.
 - Revised language regarding owner notification of HUD about reports of children with elevated blood lead (EBL) to HUD. Within 5 days of receiving a report of a child with EBL, the owner must notify HUD within 5 business days. The same requirement shall apply to HACCC when notified by an owner that a child has been reported as having an EBL in their unit.
 - Revised Project Based Voucher (PBV) language regarding PBV Program set asides. In addition to 20 % of Voucher units, an additional 10% can be set aside for PBV assistance if the units are dedicated to homeless as defined by Section 103 of the McKinney -Vento Homeless Assistance Act, veterans of the U.S. Armed Forces and/or projects that provide supportive housing to elderly or disabled households as

defined in 24CFR 5.403 or are located in a census tract with a poverty rate of 20 percent or less.

- New language is being added to specify which units do not count against HACCC's 20% threshold for PBV assistance. These include RAD, VASH PBV Set-Aside funding and units that were previously subject to certain federal rent restrictions or were receiving another type of long-term housing subsidy provided by HUD are not subject to the cap. The unit must be covered under a PBV HAP contract that first became effective on or after 4/18/17.
- Clarified that HACCC may select a public housing project in which HACCC has an ownership interest or control and will spend a minimum amount per unit in rehabilitation or construction improvements through a non-competitive selection process for awarding PBV assistance to the project.
- Modified the cap on the number of PBVs in a project from the greater of 25% or 25 units to the greater of 25 units or 40% of the units in the project when the property is located in a census tract with a poverty rate of less than 20 %.
- Clarified that PBV units that were previously subject to certain federal rent restrictions or receiving another type of long-term housing subsidy provided by HUD are exempt from the project cap. In other words, 100 percent of the units in these projects may receive PBV assistance. This was achieved by striking several citations from this section of the Administrative Plan.
- Clarified that HACCC shall not provide assistance to a family until the unit has passed Housing Quality Standards inspections.
- HACCC will no longer permit applicants who are not 62 years of age or older to be placed on site-based PBV waiting lists targeted to units restricted to elderly households. As a matter of fairness, for previously established PBV waiting lists with non-elderly applicants, if at the time they reach the top of a senior waiting list, they are 55 years of age or older and have applications for other senior developments in the PBV portfolio, they will be removed from the list they reached the top of only. The other waiting list applications will remain active until they reach the top of those waiting lists. At that time, if they are still not 62 years of age or older, they will be removed from that particular waiting list at that time.
- Revised the list of properties participating in the PBV program to include all RAD PBV-assisted properties.
- Revised the list of PBV units that are restricted to homeless households who must be referred from the Coordinated Entry System of Contra Costa County. Added 5 units at Robin Lane Apartments in Concord.
- Added language regarding when a family is eligible to move with continued assistance from a project-based voucher assisted unit. Family must have been in the unit for 12 consecutive months and be in good standing as defined in the Administrative Plan.
- Added a new Chapter 18 - Project-Based Voucher (PBV) Under the Rental Assistance Demonstration (RAD) Program to the Administrative Plan. Areas covered are as follows:

Part I: General Requirements. This part describes general provisions of the PBV

program, including maximum budget authority requirements, relocation requirements, and equal opportunity requirements.

Part II: PBV Project Selection. This part describes the cap on assistance at projects receiving PBV assistance, ownership and control, and site selection standards.

Part III: Dwelling Units. This part describes requirements related to housing quality standards, the type and frequency of inspections, and housing accessibility for persons with disabilities.

Part IV: Housing Assistance Payments Contract. This part discusses HAP contract requirements and policies including the execution and term of the HAP contract.

Part V: Selection of PBV Program Participants. This part describes the requirements and policies governing how the PHA and the owner will select a family to receive PBV assistance.

Part VI: Occupancy. This part discusses occupancy requirements related to the lease, and describes under what conditions families are allowed or required to move.

Part VII: Determining Contract Rent. This part describes how the initial rent to owner is determined, and how rent will be redetermined throughout the life of the HAP contract.

A complete copy of the proposed PHA Plan and attachments as well as the Administrative Plan and ACOP are available for review at HACCC's main office.

FISCAL IMPACT

No direct financial impact.

CONSEQUENCE OF NEGATIVE ACTION

Should the Board of Commissioners elect not to approve the PHA Plan, HACCC will be out of compliance with HUD requirements and may not receive any funding via HUD's Capital Fund program until the PHA Plan has been submitted to, and approved by, HUD. HUD may also impose additional sanctions beyond the withholding of Capital Fund monies.

CLERK'S ADDENDUM

ATTACHMENTS

Resolution No. 5218: PHA Certification of Compliance with the PHA Plans and Related Regulations: Board Resolution to Accompany the PHA 5-Year and Annual PHA Plan

Attachment B

Attachment C

FY 2019 Goals

CFP 2019 Annual Statement HUD 50075

Admin Plan Changes

PHA Plan Form 50075