

To: Contra Costa County Housing Authority Board of Commissioners
 From: Joseph Villarreal, Housing Authority
 Date: February 12, 2019



Contra
Costa
County

Subject: VOLUNTARY TRANSFER OF THE RICHMOND HOUSING AUTHORITY'S HOUSING CHOICE VOUCHER
AND PROJECT-BASED VOUCHER PROGRAMS TO THE COUNTY HOUSING AUTHORITY

RECOMMENDATIONS

ADOPT Resolution No. 5220 titled "Resolution Approving the Transfer of the Richmond Housing Authority's Housing Choice Voucher and Project-Based Voucher Programs to the Housing Authority of the County of Contra Costa" and AUTHORIZE the Housing Authority of the County of Contra Costa's Executive Director to send a letter to the U.S. Department of Housing and Urban Development indicating that HACCC will accept the transfer of the Richmond Housing Authority's Housing Choice Voucher and Project-Based Voucher Programs.

BACKGROUND

As has been discussed with HACCC's Board previously, the U.S. Department of Housing and Urban Development (HUD), the City of Richmond and the Housing Authority of the City of Richmond (RHA) have been discussing for more than a year the possibility of transferring RHA's voucher programs to another housing authority. In accord with HUD Notice PIH 2018-12 (attached), HACCC has been discussed as the preferred housing authority to transfer RHA's voucher programs. This is because HACCC is in the same state as RHA, has jurisdictional authority to administer RHA's voucher programs, has the administrative capacity to manage RHA's existing voucher programs and is a High

Action of Board On: **02/12/2019** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

VOTE OF COMMISSIONERS

AYE: John Gioia, Commissioner
 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: February 12, 2019

Joseph Villarreal, Executive Director

ABSENT: Jannel George-Oden,
 Commissioner

By: June McHuen, Deputy

Contact: 925-957-8028

cc:

Performer under HUD's Section 8 Management Assessment Program.

BACKGROUND (CONT'D)

At their meeting on February 5, 2019, the RHA Board of Commissioners agreed to formally ask HUD to transfer HACCC's voucher programs to HACCC. This request is only for RHA's voucher programs. RHA intends to keep all of their public housing along with other properties they own or manage under programs such as HOPE VI and RAD. In fact, RHA just hired a new Executive Director to convert their public housing to new, long-term subsidies and to oversee all of their physical properties. RHA's agenda item concerning the voucher transfer and relevant attachments are attached.

While not a common occurrence, the transfer of voucher programs from one housing authority to another is not unusual, especially as administrative responsibilities have increased at the same time that funding has decreased. Below is an informal list (meaning there may be other transfer that were not captured here) of voucher transfers & consolidations between housing authorities in HUD's local region over the past 15 years. You will note that the first of these (in chronological terms) was HACCC's absorption of the San Pablo Housing Authority.

- Yuba consolidated with Sutter (2014)
- Hollister consolidated with Santa Cruz (2014)
- CA-HCD Divested its voucher program to Stanislaus, Shasta, Butte, and Sutter (1/1/2012)
- Nevada County consolidated with Sutter (2011)
- Clark County HA and Las Vegas HA transferred their programs to Southern Nevada Regional HA (2010)
- Mariposa County HA transferred its Section 8 program to California HCD (2010)
- Lassen County HA and Tehama County HA consolidated with Plumas County HA (2008 and 2009)
- North Las Vegas HA transferred its Section 8 program to Las Vegas HA (2009) - now Southern Nevada Regional HA.
- ASI Southern Nevada transferred its Section 8 program to Clark County HA (2007) - now Southern Nevada Regional HA.
- San Juan Bautista HA consolidated with Hollister HA (2007)
- Sacramento City HA consolidated its Section 8 program with Sacramento County HA (2005)
- San Pablo HA consolidated with Contra Costa County HA (2001)

HUD's Notice PIH 2018-12, which largely lays out the process of transferring vouchers between housing authorities, states that transfers can only occur on either July 1st or January 1st of any given year. RHA is asking HUD to transfer their voucher programs to HACCC effective July 1, 2019.

Staff recommend that HACCC accept the transfer of RHA's voucher programs to HACCC and are fine with the July 1st target date. Because portability restrictions will be lifted and HACCC can maintain a local office or offices, HACCC's acceptance of this transfer would provide the greatest service to RHA's clients. If another entity were to receive RHA's voucher program (if another could even legally do so) it would likely increase the bureaucratic burdens on RHA's voucher clients. HACCC's acceptance of this transfer may also increase the availability of PBVs that can be used to fund more affordable housing development. This will depend largely on how many PBVs HUD's and HACCC's program audits show that RHA has committed already and also on future

HUD regulatory changes.

Between now and July 1st, staff will need to work out an MOU with RHA detailing all aspects of the transfer process. This, and any other relevant documents, will be brought to the Board as they are updated. Additionally, staff will be seeking additional funding from HUD to ensure the transfer goes as smoothly as possible. It is anticipated that extra staff will have to be hired for a period of up to two years to convert RHA's tenant files into HACCC's format and to ensure that all files meet all of HUD's requirements. In addition to funding, staff will be seeking assurances from HUD that this transfer will not negatively impact HACCC's SEMAP scores or funding for RHA's former vouchers.

Depending on the outcome of staff's ongoing discussions with RHA and HUD, it is possible that staff could come back to the Board and recommend that approval for this transfer be rescinded. This is not expected, but it should be noted. Staff recommends moving forward at this time because the HUD Regional Office has informed us that it cannot request additional funding to help with the transfer from HUD Washington until both RHA and HACCC have formally requested the transfer.

FISCAL IMPACT

The transfer of the Richmond Housing Authority's Voucher programs would increase the Housing Authority of the County of Contra Costa's (HACCC) current contract with HUD from 6,996 vouchers to 9,000 vouchers. Should the transfer occur, it is anticipated that HACCC's projected voucher budget for FYE 2020 would increase from \$117 million to between \$142 million and \$150 million.

CONSEQUENCE OF NEGATIVE ACTION

Should the Board of Commissioners elect not to approve the transfer of RHA's voucher programs to HACCC, then it is likely that RHA's voucher clients would suffer additional bureaucratic burdens. A negative action may also have the affect of costing HACCC additional PBVs that can be used to fund more affordable housing development in the County.

CLERK'S ADDENDUM

ATTACHMENTS

Resolution No. 5220: Richmond Housing Authority

HUD PIH Notice

RHA Agenda Item re Voucher Transfer to HACCC