Housing Authority - County of Los Angeles

September 3, 2009

To: Each Supervisor

From: Sean Rogan, Executive Director

SUBJECT: BOARD REQUESTED REPORT – ITEM 1H AUGUST 4, 2009

The purpose of this memorandum is to provide you with the Housing Authority's procedures for enforcing Section 8 Program compliance. This information is provided in response to inquiries made by Supervisor Antonovich at the Board meeting on August 4, 2009.

- Reporting on High-Crime Buildings

  On August 4, 2009, Supervisor Antonovich inquired if the Housing Authority could deny landlord requests to establish new Section 8 residences in documented, crime-ridden neighborhoods. The Housing Authority reviewed the federal regulations, its Administrative Plan policies, procedures and other resources to make a determination.

  Current policy is to disapprove owners from the program who have a history or practice of renting to Section 8 participants who commit criminal activity. In the past, this was difficult to track because the Housing Authority relied on tips from the public. Now, the Housing Authority has amended its agreement with the Sherriff's Department to provide reports of criminal activity in Section 8 units. This will help the Housing Authority achieve its goal of terminating the assistance of program participants who commit crimes, and will allow the Housing Authority to cease from entering into contracts with owners who allow criminal activity to continue in their units.

- Owner Disapproval: Housing Authority Refusal to Enter Into New Contracts

  In accordance with Title 24 of the Code of Federal Regulations, Part 982.306, the Housing Authority may disapprove an owner if he or she has:

  - Violated the Housing Assistance Payment (HAP) contract;
  - Participated in drug-related or violent criminal activity;
  - A practice of noncompliance with HQS or other local housing codes; or
  - Refused to evict Section 8 tenants for criminal activity or threatening neighbors' health and safety or the right to peaceful enjoyment of the premises.

The Housing Authority may refuse to enter into new HAP contracts with owners who have been disapproved.

To further protect the safety of employees, the Housing Authority will therefore submit a recommendation to amend its Owner Disapproval policy to disapprove an owner who has a practice or history of threatening the health and safety of employees of the Housing Authority administering the Section 8 program. If an owner is disapproved for this reason, the Housing Authority would not enter into any new contracts with that owner for five years.

The Owner Disapproval provision does ***not*** apply to existing contracts. The Housing Authority may not terminate existing contracts with these owners and ask assisted families to move based solely on this provision.

- Terminating Existing Housing Assistance Payments (HAP) Contracts

If a landlord is in breach of one or more HAP contracts, the Housing Authority has the right under Title 24 Code of Federal Regulations, Part 982.453 to exercise one of several remedies, including termination of the contract. An owner is considered to be in breach of the contract if he or she has:

- Not maintained the unit in accordance with HQS;
- Committed fraud, bribery or any other corrupt or criminal act in connection with any Federal housing assistance program; or
- Engaged in drug-related or violent criminal activity.

If the owner is in breach of the HAP contract, the Housing Authority's rights and remedies against an owner under the HAP contract include recovery of overpayments, abatement or other reduction of housing assistance payments, termination of housing assistance payments, and termination of the HAP contract. Under HUD rules, the Housing Authority cannot make modifications to any HUD form, including the terms of HUD-Form 52641 (i.e. the HAP contract), nor can it make any changes to the provisions of the Lease, as it is between the owner and the tenant.

- Amended Housing Quality Standards Inspections Policy

Title 24 of the Code of Federal Regulations (CFR) 982.401 requires that "the site and neighborhood must be reasonably free from disturbing noises and reverberation and other dangers to the ***health, safety, and general welfare*** of the occupants." California Health and Safety Code Section 34212 further requires local housing authorities to provide "***decent, safe, and sanitary*** housing to persons of low-income."

It is the Housing Authority's assessment that continuing to lease units in or near buildings where existing criminal activity poses a risk to the safety of its program participants and employees. Accordingly, the Housing Authority will submit an amendment to the Administrative Plan to further address and implement our existing policy on Housing Quality Standards and Inspections that require that sites and immediate neighborhoods be reasonably free from any dangers to the health, safety, and general welfare of the family. The amendment will provide for the Housing Authority to exercise discretion in considering factors to assess whether a site and immediate neighborhood meet the "health, safety, and general welfare" requirement. The factors will include but not be limited to: (1) the volume of calls for service (e.g. police, fire, paramedic, etc.) (2) the volume of code enforcement inquiries or actions, and (3) physical blight conditions. The amendment is not intended to disallow HAP contracts for entire cities or large geographical areas. The Housing Authority will exercise its discretion judiciously, on a limited basis, and only under extraordinary circumstances. A HAP contract may not be issued if the Housing Authority determines that the unit fails this requirement. Amendments to the Administrative Plan will be presented to your Board later this month.

Should you have any questions or concerns, please contact me at (323) 890-7400.

SR:ML
Section 8 Compliance board memo

c: Each Deputy
Lari Sheehan, Deputy Chief Executive Officer
Sachi A. Hamai, Executive Officer/Clerk Board of Supervisors