HOUSING AUTHORITY
of the County of Los Angeles
Administrative Office
2 Coral Circle • Monterey Park, CA 91755
323.890.7001 • TTY: 323.838.7449 • www.lacdc.org

Gloria Molina
Mark Ridley-Thomas
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich
Commissioners

Sean Rogan
Executive Director

ADOPTED
BOARD OF COMMISSIONERS
HOUSING AUTHORITY

1-H JAN 12 2010

SACHI A. HAMAI
EXECUTIVE OFFICER

January 12, 2010

Honorable Board of Commissioners
Housing Authority of the
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Commissioners:

ADOPT A RESOLUTION ACCEPTING THE VOLUNTARY TRANSFER OF HOUSING CHOICE VOUCHERS FROM THE HOUSING AUTHORITY OF THE CITY OF LOMITA TO THE HOUSING AUTHORITY OF THE COUNTY OF LOS ANGELES (ALL DISTRICTS) (3 VOTE)

SUBJECT

This letter recommends approval of the voluntary transfer of Section 8 Housing Choice Vouchers from the Housing Authority of the City of Lomita (Lomita) to the Housing Authority of the County of Los Angeles (HACoLA).

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that the transfer of Section 8 Housing Choice Vouchers is not subject to the provisions of the California Environment Quality Act (CEQA), as described herein, because the activity is not defined as a project under CEQA.

2. Adopt and instruct the Chair to sign a Resolution indicating agreement to the proposed voluntary transfer of Section 8 Housing Choice Vouchers and corresponding budget authority from Lomita to HACoLA; and authorize the Executive Director to submit the Resolution and all related documents to HUD.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of this action is to transfer Lomita's Section 8 Housing Choice Vouchers and Section 8 Annual Contributions Contract (ACC) budget authority to HACoLA. This

will provide HACoLA with 86 additional Section 8 Housing Choice Vouchers, which can be used anywhere within HACoLA's jurisdiction, which will continue to include the City of Lomita.

FISCAL IMPACT/FINANCING

There is no fiscal impact on the County general fund. Upon approval of the voucher transfer, HACoLA will receive 86 additional vouchers, which will equate to approximately $104,480 in administrative fees and $423,300 in Housing Assistance Payments (HAP) annually for the Section 8 Tenant-Based Program.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On April 26, 1985, your Board authorized the execution of an Administration Agreement between the HACoLA and Lomita whereupon HACoLA has acted as an agent of Lomita for the Section 8 Housing Choice Voucher Program, providing direct tenant services, including applicant selection, housing inspections, and tenant certifications. HACoLA is responsible for the issuance of housing assistance payment checks to landlords, program reporting, monitoring, and technical assistance. HACoLA also prepares annual Agency and Administrative Plans on behalf of Lomita for submission to HUD.

The Administration Agreement provides HACoLA with full administrative and operating responsibilities, including the receipt and disbursement of all program funds due under the Lomita ACC. A joint bank account has been established between Lomita and HACoLA for the receipt and disbursement of all program funds, including the payment of any preliminary and administrative fees to the HACoLA that are due under the ACC.

On March 3, 2008, Lomita's Board adopted a resolution to pursue the voluntary transfer of the budget authority and baseline units to HACoLA. Subsequent to Lomita's approval, your Board approved a similar resolution on July 15, 2008. Unfortunately, HUD denied the transfer request because of HACoLA's "troubled" rating on the Section 8 Management Assessment Program (SEMAP). Now that HACoLA has achieved the "standard performer" SEMAP rating, your Board's approval is again required to pursue the transfer.

The original justification for the transfer of authority was Lomita's Fiscal Year 2007-2008 budget deficit for their Administrative Fee account. A current review of Lomita's financial status and Section 8 Housing Choice Vouchers lease-up for Fiscal Year 2009-2010 continues to show an increasing budget deficit for the Administrative Fee reserve account. As of September 30, 2009, the Administrative Fee reserve balance account has a deficit of $16,674. A September analysis of Lomita's budget pacing and projections reflect a lease-up rate of 56.10% and a budget deficit of $4,939 in Administrative Expenditures for the end of Fiscal Year 2009-10. The low utilization of Lomita vouchers (lease-up rate) can be attributed to the limited availability of rental units

in the City of Lomita. The majority of units are owner-occupied, thereby making it difficult for Lomita to lease the required number of Section 8 vouchers.

Upon adoption of the attached Resolution, HACoLA will request that HUD consider the transfer of budget authority and corresponding baseline units for the Section 8 Housing Choice Voucher program from the Lomita ACC to the HACoLA Consolidated ACC. As part of the application process, HUD requires your approved Resolution and at least 90 days notice before the requested effective date of the transfer.

On October 28, 2009, the Housing Commission recommended adoption of the Resolution. On December 7, 2009, Lomita's Board approved the proposed transfer.

ENVIRONMENTAL DOCUMENTATION

This activity is exempt from the provisions of the National Environmental Policy Act pursuant to 24 Code of Federal Regulations, Part 58, Section 58.34 (a)(3), because it involves administrative activity that will not have a physical impact on or result in any physical changes to the environment. The activity is also not subject to the provisions of CEQA pursuant to State CEQA Guidelines 15060(c)(3) and 15378, because it is not defined as a project under CEQA and does not have the potential for causing a significant effect on the environment.

IMPACT ON CURRENT PROGRAM

Approval of this action will allow HACoLA to receive 86 additional vouchers, which will equate to approximately $104,480 in administrative fees and $423,300 in Housing Assistance Payments (HAP) annually for the Section 8 Tenant-Based Program. After the transfer is complete, the Lomita Housing Authority waiting list will be merged with the HACoLA waiting list using the applicant's original registration date. Additionally, HACoLA staff will no longer have to prepare separate Agency and Administrative Plans for Lomita, reducing the total workload associated with administering these vouchers.

HUD will complete the transfer of all Family Reports (form HUD-50058) so that all affected families will be recorded under HACoLA.

Respectfully submitted,

Robbette A. Glover
for SEAN ROGAN
Executive Director

Attachment

RESOLUTION AGREEING TO THE VOLUNTARY TRANSFER OF HOUSING CHOICE VOUCHERS FROM THE CITY OF LOMITA HOUSING AUTHORITY TO THE HOUSING AUTHORITY OF THE COUNTY OF LOS ANGELES

WHEREAS, as a Public Housing Agency, the City of Lomita Housing Authority (Lomita) receives an allocation of Housing Choice Vouchers issued by the United States Department of Housing and Urban Development (HUD);

WHEREAS, since 1985, the Housing Authority of the County of Los Angeles (HACoLA) has been operating the Section 8 Housing Choice Voucher program (the "Program") on behalf of Lomita;

WHEREAS, Lomita and HACoLA opened a joint depository account for the receipt and disbursement of all Program funds and for the payment of preliminary and administrative fees to HACoLA which are allocated to Lomita under its Annual Contributions Contract (ACC) with HUD;

WHEREAS, HACoLA is no longer able to administer the Program on behalf of Lomita in exchange for Lomita's Administrative Fee compensation under its ACC with HUD;

WHEREAS, HUD has issued policies (Notice PIH 2007-6 and PIH 2008-19), which outline the process by which a Public Housing Agency may voluntarily transfer its Housing Choice vouchers and corresponding budget authority to another Public Housing Agency; and

WHEREAS, on December 7, 2009, Lomita's governing body adopted a Resolution agreeing to the proposed voluntary transfer of the Program vouchers and corresponding budget authority to HACoLA.

NOW, THEREFORE, the Board of Commissioners of the Housing Authority of the County of Los Angeles hereby resolves as follows:

1. The Housing Authority hereby agrees to the proposed voluntary transfer of Housing Choice vouchers and corresponding budget authority from Lomita, contingent upon approval of the transfer from the HUD.

2. The Executive Director of the Housing Authority shall submit a letter to HUD, as required per Notice PIH 2007-6 and PIH 2008-19, requesting that the transfer be approved by HUD.

3. As per Notice PIH 2007-6 and PIH 2008-19, the effective date of the transfer will be a minimum of 90 days after the submittal of the letter and the resolution.

APPROVED AND ADOPTED by the Board of Commissioners of the Housing Authority of the County of Los Angeles on this 12th day of January, 2010.

ATTEST:

SACHI A. HAMAI
Executive Officer-Clerk of
the Board of Commissioners

By: LaChelle Smitherman
Deputy

By: Gloria Molina
Chair, Board of Commissioners

APPROVED AS TO FORM:
ROBERT E. KALUNIAN
Acting County Counsel

By: _____
Deputy

THE HOUSING AUTHORITY OF THE COUNTY OF LOS ANGELES CALIFORNIA