



Staff Reports

File #: 1892-2019, **Version:** 1

To: Honorable Chair and Commissioners

From: Vincent Smith, Community Development Director

Prepared By: Michael Kucz, Rental Assistance Program Supervisor

TITLE:
Housing Choice Voucher Program Administrative Plan

RECOMMENDED ACTION:

Adopt a resolution approving amendments to the Section 8 Housing Choice Voucher Program Administrative Plan.

DISCUSSION:

The Section 8 Housing Choice Voucher Program Administrative Plan (the “Administrative Plan”) is a policy document that is used to ensure that the Section 8 Housing Choice Voucher Program (the “Program”) is administered in compliance with Housing and Urban Development (HUD) regulations and local policy. Each chapter of the Administrative Plan deals with different aspects of program implementation. For the most part, federal regulations dictate the way the Program will be implemented. However, HUD requires that the Housing Authority (the “HACN”) establish local policies for the administration of the Program in accordance with HUD regulations.

The Administrative Plan is a necessary reference tool for the HACN staff to administer the Program accurately and to ensure that all applicants and participants are treated in a fair and equitable manner. Federal regulations for the Program are often extensive and complex. For that reason, it is important that the document is comprehensive, up to date, and meets all federal requirements. The current Administrative Plan was adopted in 2008 and has been amended multiple times since to meet new program regulations, to address changes in program operations, and to incorporate requirements of new grant applications.

The proposed modifications to the existing Administrative Plan are shown in Attachment 2 to this agenda report and include:

- Updating the glossary to add the definition of an elderly person.
- Updating the policy and language pertaining to the opening and closing of the Program’s waiting list to reflect that applicants will be added to the waiting list through a lottery process due to the large number of people who may apply. The process of holding a lottery to add people to waiting lists is utilized by many local housing authorities to ensure manageable waiting lists that provide realistic expectations to the people applying for assistance given demand for vouchers has historically greatly exceeded the number of vouchers typically

available. The update also adds the condition that the waiting list may open to specific preferences and would then be limited to persons who qualify for a specific preference.

- Updating the process for applying local preferences to the selection of applicants from the waiting list to continue to address the high need of affordable housing for Napa County residents and workers while reducing the potential for unintentional racial discrimination against applicants who live and work outside of Napa County.

There is a significant need in Napa County for affordable housing. Currently, Napa has an extremely low vacancy rate (1% in the City's 2018 vacancy rate survey). Fifty percent of renters in Napa County are cost burdened and pay over 30% of their incomes for housing, with 22% of renters paying over 50% of their incomes for housing, according to U.S. Census data. Rents in Napa County have increased by 50% in the past five years, and median rents are unaffordable to even low income households. Additionally, according to the American Survey 2006-2010, 30% of Napa County's 69,000 employees commute to Napa County from other counties, with the vast majority driving alone. Over half of these commuters travel from Solano County and face significant delays due to traffic. As the cost of housing becomes increasingly unaffordable in Napa County, businesses are finding it more difficult to hire qualified employees. The Napa Valley Register reported that in 2018, many highly regarded, well established restaurants, including Redd, Terra, Cindy's Backstreet Kitchen, Brannans, and Hurleys, closed and that each restaurant's owner cited the lack of qualified employees due to the cost of housing as one of the primary reasons, if not the sole reason, for the decision to close. As families are finding it increasingly difficult to afford to live in Napa County, they are relocating. This is having a direct impact on the number of children enrolled in the local schools. According to the School District, enrollment dropped by 246 this school year and is expected to continue to decrease. Declining enrollment has caused the School District to face budget cuts including the proposed layoff of up to 14 staff and reductions in hours for 66 staff, the majority of whom are food service workers and instructional assistants.

At the same time, Napa County is less racially diverse than some of its neighboring communities such as Solano County. Therefore, restricting rental assistance to persons who live or work in Napa County could have unintended discriminatory impacts on applicants of color who live and work outside of Napa County. Therefore, based on consultation with HUD, staff recommends revising the process for selecting names from the Program's waiting list. Under the revised process, HACN would apply the live/work preference to only 75% of the applicants selected from the waiting list instead of to 100% of the applicants, which is the current practice, and would select the remaining 25% of the applicants from the waiting list without applying the live-work preference. For example, if HACN selects 100 applicants from the current waiting list, 75 of the selected applicants would live, work, or have been hired to work in Napa County and 25 of the selected applicants would live and work outside of Napa County. The other local preferences, which include preferences for veterans and families with children or elderly or disabled individuals, would still apply to all applicants selected from the waiting list. The revised process attempts to balance the strong need for affordable housing by current residents and workers while still allowing those who do not qualify for a local live/work preference to also have an opportunity to receive rental assistance through the Program.

FINANCIAL IMPACTS:

There is no financial impact related to this action.

CEQA:

The Community Development Director has determined that the Recommended Action described in this Agenda Report is not subject to CEQA pursuant to CEQA Guidelines Section 15060(c).

DOCUMENTS ATTACHED:

ATCH 1 - Resolution

EX A - Administrative Plan

ATCH 2 - Administrative Plan Amendments (Redline)

NOTIFICATION:

None