

Report of the President &amp; CEO

February 24, 2022

**RESOLUTION AUTHORIZING THE REAUTHORIZATION OF ONE HUNDRED FORTY-FOUR (144) SECTION 8 HOUSING CHOICE VOUCHERS FOR THE PERMANENT SUPPORTIVE HOUSING PROGRAM COMPONENT OF THE PROJECT-BASED VOUCHER PROGRAM TO MAXIMIZE APPLICATIONS TO THE 2021 STATE OF CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT PROJECT HOMEKEY NOTICE OF FUNDING AVAILABILITY (NOFA) FOR PROJECTS, ROUND 2 OR SUBSEQUENT HOMEKEY NOFA ROUNDS, OR TO SUPPORT PROJECTS PREVIOUSLY AWARDED PROJECT HOMEKEY FUNDING**



Douglas Guthrie  
President & CEO



Carlos Van Natter  
Director of Section 8

**Purpose:** To assist in the creation of permanent supportive housing for extremely low-income and very-low income homeless and chronically homeless, special-needs, disabled individuals, families, transition-age youth (TAY), seniors, and veterans. HACLA proposes to make available additional Project-Based Vouchers (PBVs) to maximize applications to the 2021 State of California Department of Housing and Community Development (HCD) Project Homekey Notice of Funding Availability (NOFA) for projects, Round 2 or subsequent Homekey NOFA rounds, or to support projects previously awarded Project Homekey funding.

**Issues:** HCD has announced the availability of approximately \$1.45 billion in Homekey funding to sustain and rapidly expand the inventory of housing for people experiencing homelessness or at risk of homelessness and who are, thereby, inherently impacted by or at increased risk for medical diseases or conditions due to the COVID-19 pandemic or other communicable diseases.

Homekey is an opportunity for state, regional, and local public entities to develop a broad range of housing types, including but not limited to hotels, motels, hostels, single-family homes, multifamily apartments, adult residential facilities, and manufactured housing, and to convert commercial properties and other existing buildings to permanent supportive housing for the target population.

On October 28, 2021, by Resolution No. 9760, the Board of Commissioners authorized making approximately six hundred fifty (650) PBVs available through PBV NOFAs to maximize applications to the 2021 HCD Project Homekey NOFA for projects, Round 2.

HACLA proposes making approximately one hundred forty-four (144) additional PBVs available through PBV NOFAs to maximize applications to the 2021 HCD Project Homekey NOFA for projects, Round 2 or subsequent Homekey NOFA rounds, or to support projects previously awarded Project Homekey funding in 2020 HCD Project Homekey Round 1. Eligible applicants may include local public entities with jurisdiction in the City of Los Angeles, cities, counties, or local public entities which have entered into an interagency agreement with HACLA to administer an eligible project located in the City of Los Angeles, or organizations partnering with an eligible local public entity on an application for Project Homekey funding. Eligible projects must be awarded and utilize Project Homekey funds for acquisition of multifamily properties and net new units of affordable housing serving homeless and at risk of homeless households at or below 30% AMI for 55-years. The projects must be able to provide permanent supportive housing units within 12 months of the acquisition of the property.

A Public Housing Authority may provide project-based assistance for up to 20 percent of its Consolidated Annual Contributions Contract (ACC) authorized units and may project base an additional 10% of its authorized units for projects serving the homeless. Currently HACLA has project-based 26.2% of its allocated units.

### **Current Request**

In order to further assist the local collaborative effort to increase the number of Permanent Supportive Housing projects in the City, HACLA requests the reauthorization of one hundred forty-four (144) unutilized PBVs for the Permanent Support Housing Program component of the PBV program, and intends to make these PBVs available to eligible applicants in PBV NOFAs to be published in 2022 to maximize applications to the 2021 California Department of HCD Project Homekey NOFA for projects, Round 2 or subsequent Homekey NOFA rounds, or to support projects previously awarded Project Homekey funding in Round 1.

To accommodate this action, HACLA will reauthorize one hundred forty-four (144) unutilized PBVs rescinded from a commitment made under PBV Notice of Funding Availability (NOFA) HA-2016-91. On May 26, 2016, under Resolution No. 9283, the Board approved the dedication of five hundred (500) PBVs to two permanent supportive housing developers pursuant to HACLA PBV NOFA HA-2016-91. The commitment of one hundred forty-four (144) PBVs were rescinded from one of the developer awardees for non-performance.

### **Vision Plan: PLACE Strategy #4: Steward efforts to reduce and alleviate homelessness**

With Board of Commissioners approval, this proposal will result in reprogramming one hundred forty-four (144) PBVs for permanent supportive housing units

serving the homeless and chronically homeless to projects developed under HCD Project Homekey, thereby facilitating collaboration to more effectively reduce the homelessness crisis.

**PEOPLE Strategy #9: Increase access to mental health services including peer-to-peer support**

HACLA requires owners of PBV projects to provide supportive services to all PBV participants as a condition of the award of PBVs to the project, which includes access to mental health services.

**PEOPLE Strategy #12: Improve access to physical health services**

HACLA requires owners of PBV projects to provide supportive services to all PBV participants as a condition of the award of PBVs to the project, which includes access to physical health services.

**Funding:** The Chief Administrative Officer confirms the following:

*Source of Funds:* Vouchers will be project-based from the existing allocation of 51,163 Section 8 Housing Choice Vouchers and paid for using Section 8 Housing Assistance Payments (HAP) funding.

*Budget and Program Impact:* The PBVs will provide monthly Section 8 HAP payments for 144 households for 20 years. HAP payments will not be made until acquisition and any necessary rehabilitation has been completed and the units are leased. The necessary funds will be available and included in the corresponding HACLA budget year.

**Environmental Review:** PBV projects are subject to environmental reviews conducted by the Responsible Entity for the City of Los Angeles, the Los Angeles Housing Department. Each project will be in compliance with NEPA and CEQA prior to the execution of the AHAP contract.

**Section 3:** The current request to reauthorize housing choice vouchers to permanent supportive housing projects does not trigger HUD Section 3 requirements. Local hiring requirements will be imposed by other awarding bodies and consistent with Project Labor Agreements, as applicable.

**Attachment:** Resolution

RESOLUTION NO. \_\_\_\_\_

**RESOLUTION AUTHORIZING THE REAUTHORIZATION OF ONE HUNDRED FORTY-FOUR (144) SECTION 8 HOUSING CHOICE VOUCHERS FOR THE PERMANENT SUPPORTIVE HOUSING PROGRAM COMPONENT OF THE PROJECT-BASED VOUCHER PROGRAM TO MAXIMIZE APPLICATIONS TO THE 2021 STATE OF CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT PROJECT HOMEKEY NOTICE OF FUNDING AVAILABILITY (NOFA) FOR PROJECTS, ROUND 2 OR SUBSEQUENT HOMEKEY NOFA ROUNDS, OR TO SUPPORT PROJECTS PREVIOUSLY AWARDED PROJECT HOMEKEY FUNDING**

**WHEREAS**, HACLA’s Permanent Supportive Housing Program (PSHP) component of the Project-Based Voucher (PBV) Program provides operating subsidies to extremely low-income and very low-income homeless and chronically-homeless, special-needs, disabled individuals, families, transition-age youth, seniors, and veterans combined with on-site supportive services;

**WHEREAS**, the State of California Department of Housing and Community Development (HCD) has announced the availability of approximately \$1.45 billion in Project Homekey funding to sustain and rapidly expand the inventory of housing for people experiencing homelessness or at risk of homelessness and who are, thereby, inherently impacted by or at increased risk for medical diseases or conditions due to the COVID-19 pandemic or other communicable diseases;

**WHEREAS**, HACLA desires to further assist the local collaborative effort to increase the number of permanent supportive housing units in the City;

**WHEREAS**, HACLA proposes making approximately one hundred forty-four (144) additional PBVs available in PBV Notices of Funding Availability (NOFAs) to maximize applications to the 2021 HCD Project Homekey NOFA for projects, Round 2 or subsequent Homekey NOFA rounds, or to support projects previously awarded Project Homekey funding in the 2020 HCD Project Homekey Round;

**WHEREAS**, to accommodate this action, HACLA rescinded a commitment of one hundred forty-four (144) PBVs to a developer pursuant to HACLA PBV NOFA HA-2016-91 due to non-performance;

**WHEREAS**, eligible applicants may include local public entities with jurisdiction in the City of Los Angeles, cities, counties, or local public entities which have entered into an interagency agreement with HACLA to administer an eligible project located in the City of Los Angeles, or organizations partnering with an eligible local public entity on an application for Project Homekey funding;

**WHEREAS**, eligible projects must be awarded and utilize Project Homekey funds for acquisition of multifamily properties and net new units of affordable housing serving homeless and at risk of homeless households at or below 30% AMI for 55-years. The projects must be able

to provide permanent supportive housing units within 12 months of the acquisition of the property; and

**WHEREAS**, a Housing Authority may provide project-based assistance for up to 20 percent of the Consolidated Annual Contributions Contract (ACC) authorized units, and may project base an additional 10% of their authorized units for projects serving the homeless, and HACLA has project-based 26.2% of its allocated units.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Commissioners hereby authorizes the President and CEO, or his designee, to make up to one hundred forty-four (144) additional PBVs available in PBV Notices of Funding Availability (NOFAs) to maximize applications to the 2021 HCD Project Homekey NOFA for projects, Round 2 or subsequent Homekey NOFA rounds, or to support projects previously awarded Project Homekey funding in 2020 HCD Project Homekey Round 1.

**BE IT FURTHER RESOLVED** that this Resolution shall take effect immediately.

HOUSING AUTHORITY OF THE  
CITY OF LOS ANGELES

By: \_\_\_\_\_  
Cielo Castro, Chairperson

APPROVED AS TO FORM:

BY: \_\_\_\_\_  
James Johnson, General Counsel

DATE ADOPTED: \_\_\_\_\_