


Report of the President &amp; CEO

December 15, 2022

**RESOLUTION AUTHORIZING THE ALLOCATION OF FOUR HUNDRED SEVENTY-FIVE (475) SECTION 8 HOUSING CHOICE VOUCHERS FOR THE PERMANENT SUPPORTIVE HOUSING PROGRAM COMPONENT OF THE PROJECT-BASED VOUCHER PROGRAM TO PROVIDE OPERATING SUBSIDY FOR PROJECTS AWARDED FUNDING PURSUANT TO THE STATE OF CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT PROJECT HOMEKEY NOTICE OF FUNDING AVAILABILITY (NOFA) FOR PROJECTS**




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Douglas Guthrie  
President & CEO




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Carlos Van Natter  
Director of Section 8

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**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 Project-Based Vouchers (PBVs) to provide operating subsidy for projects awarded funding pursuant to the State of California Department of Housing and Community Development (HCD) Project Homekey Notice of Funding Availability (NOFA) for projects.

**Issues:** HCD has awarded approximately \$2 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, and 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.

HACLA proposes making approximately four hundred seventy-five (475) PBVs available in a PBV NOFA to provide operating subsidy for projects awarded funding pursuant to the HCD Project Homekey NOFA for projects. 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.

HACLA 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 their authorized units for projects serving the homeless. Currently, HACLA has project-based 26.3% 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 to allocate four hundred seventy-five (475) vouchers for the Permanent Support Housing Program component of the PBV program, and intends to make these PBVs available to eligible applicants in a PBV NOFA to be published in 2023 to provide operating subsidy for projects awarded funding pursuant to the California Department of HCD Project Homekey NOFA for projects.

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

With Board approval, this proposal will result in 475 permanent supportive housing units reserved for housing the homeless and chronically homeless.

### **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 Housing Assistance payments for 475 households for 20 years. Although the PBVs will be awarded to projects in 2023, 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 allocate housing choice vouchers to permanent supportive housing program does not trigger HUD Section 3 requirements. Furthermore, there is no activity that would make it feasible to provide employment or other economic opportunities to Section 3 Workers. However, HACLA will impose Section 3 under its Section 3 Policy and Compliance Plan on future contracts relating to this request when that work requires construction, rehabilitation or other related activity.

**Attachment:** Resolution

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

**RESOLUTION AUTHORIZING THE ALLOCATION OF FOUR HUNDRED SEVENTY-FIVE (475) SECTION 8 HOUSING CHOICE VOUCHERS FOR THE PERMANENT SUPPORTIVE HOUSING PROGRAM COMPONENT OF THE PROJECT-BASED VOUCHER PROGRAM TO PROVIDE OPERATING SUBSIDY FOR PROJECTS AWARDED FUNDING PURSUANT TO THE STATE OF CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT PROJECT HOMEKEY NOTICE OF FUNDING AVAILABILITY (NOFA) FOR PROJECTS**

**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) awarded approximately \$2 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 four hundred seventy-five (475) PBVs available in a PBV Notice of Funding Availability (NOFA) to provide operating subsidy for projects awarded funding pursuant to the HCD Project Homekey NOFA for projects;

**WHEREAS**, eligible applicants will include local public entities with jurisdiction in the City of Los Angeles, or 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;

**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;

**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 26.3% of its allocated units.

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**NOW, THEREFORE, BE IT RESOLVED** that the Board of Commissioners hereby authorizes the President and CEO, or his designee, to allocate four hundred seventy-five (475) Section 8 Housing Choice Vouchers for the Project-Based Voucher Program.

**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: \_\_\_\_\_