



DATE: March 24, 2023

TO: Honorable Members of City Council
c/o City Clerk
City Hall, Room 395

ATTN: Nithya Raman, Chair
Housing and Homelessness Committee

FROM: Douglas Guthrie, President and CEO, HACLA *Douglas Guthrie*
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**SUBJECT: REPORT BACK ON EXPEDITING LEASING OF HACLA'S EMERGENCY HOUSING
VOUCHER PROGRAM – Council File (CF) 23-0148**

SUMMARY

In response to Council File (CF) 23-0148, this report provides an overview of HACLA's Emergency Housing Voucher (EHV) Program and an action plan being implemented at HACLA to streamline processes and expedite lease up of the EHV allocation from the United States Department of Housing and Urban Development (HUD).

BACKGROUND

In July 2021, HUD distributed 70,000 EHV's to housing authorities across the country to assist homeless individuals and families with housing. HACLA received 3,365 EHV's, the second largest allocation in the nation. This award increased HACLA's overall allocation of rental assistance to almost 60,000 with over 44% targeted to assist the homeless in various Permanent Supportive Housing (PSH) programs.

The current EHV program statistics as of March 20, 2023 are as follows:

Total Allocation of EHV's	3,365
Number of EHV's Issued	4,299
Number of EHV's Actively Searching	2,015
Number of EHV's Leased	1,427
Number of EHV's in Process of Leasing	562

ACTION PLAN

HACLA has taken many steps to streamline processes and expedite lease up of EHV's, and is implementing others.

Housing Authority of the City of Los Angeles

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Over-Issuance of Vouchers: The HUD deadline to issue all 3,365 EHV's is September 30, 2023. HACLA completed that issuance by July 31, 2022 and has actually issued the 4,299 noted above. That is more than 900 vouchers over the allocated amount as we are aware that all voucher holders are not successful in finding housing. The current success rate of voucher holders who are successful in locating housing is 60%. HACLA closely monitors EHV voucher holders out searching for units to ensure that an appropriate number have been issued vouchers to account for the success rate and to issue new vouchers as issued vouchers expire. It is a fine balancing act to issue the appropriate number of vouchers so that the full allocation is utilized while avoiding the problem of overissuing vouchers that later need to be rescinded due to full utilization of the allocation, as has happened at some other housing authorities. As the bulk of EHV's have already been issued, the priority has always been those housed by service providers using time limited subsidies. That continues to be the focus for any new vouchers issued. For those excess applications that will not be served by the EHV program, HACLA is working with the Los Angeles Homeless Service Authority (LAHSA) to identify other housing resources.

Housing Search Assistance: LAHSA, in its role as the Los Angeles Continuum of Care agency, is responsible per HUD EHV regulations for submitting EHV referrals to HACLA and providing oversight of case management services by local providers that includes housing navigation/housing search assistance. That assistance takes many forms such as providing listings of vacancies to EHV clients, showing EHV clients available units, working with landlords to rent their units to EHV clients, helping EHV clients and landlords in filling out the paperwork to lease a unit and helping landlords access security deposit assistance for EHV clients. HACLA works closely with LAHSA to ensure that EHV clients receive these services, and also assists by following up with EHV voucher holders to provide listings, particularly as vouchers get close to expiration. This focus is crucial in helping EHV clients locate units and locate them more quickly as they have an initial 365 day voucher search time and can receive more time to find a unit as a reasonable accommodation. This allows EHV clients to continue to have an active voucher after September 30, 2023 to continue their housing search. HACLA has held weekly meetings with LAHSA and other housing authorities to coordinate efforts to support EHV clients since the beginning of the program.

Streamlining Leasing Processes: HACLA is adjusting its internal process to consolidate work and more quickly execute voucher placements as has been done at other agencies. Once a landlord submits paperwork to lease a unit to an EHV client, HACLA will negotiate the rent immediately, prior to inspection rather than after, to reduce delays and more efficiently process the work. HACLA is increasing its flexibility in negotiating fair rental agreements with landlords by adjusting the parameters of obtaining comparable rents that support the rent amounts being requested by landlords. HACLA has also contracted with a consultant, Guidehouse Inc., that has worked to improve operations at housing authorities across the country such as New York City, the nation's largest. They have begun their work to help HACLA identify and implement areas of improvement as the agency continuously looks for ways to streamline processes.

Increased Leasing Opportunities: In the current challenging Los Angeles rental market, EHV clients have more housing opportunities available to them than ever before. HACLA currently has the highest citywide rental amount in its history, with the Voucher Payment Standard (VPS) set at 120% of the area's Fair Market Rental. Beyond that, HACLA is the only housing authority in the region now offering HUD Small Area Fair Market Rents of up to \$850 more than the current high VPS in higher rent/higher opportunity areas. HACLA has contracted with a real estate broker to provide rental listings specifically for EHV clients. They have conducted landlord engagement events, and in person and virtual open houses for EHV clients. And through interagency agreements, the geographic area that HACLA EHV voucher holders can locate units also includes the jurisdictions of the Los Angeles County, Santa Monica, Pasadena, Glendale and Long Beach housing authorities.

Staffing: HACLA had a slow start in staffing up the temporary 30 person EHV unit and the challenging labor market has continued to be a factor, however HACLA has turned the corner on ensuring staff is in place to process the work quickly. Staff has been brought in from a temporary agency and a housing industry technical assistance provider to augment HACLA staff who are also utilizing overtime. The immediate goal is to complete the 562 EHV in process of leasing, including rent negotiation, inspection completion and contract execution, to lease up EHV clients soonest. Then the focus will be to process quickly new lease requests that come in and focus on connecting EHV voucher holders with available units to generate more leases.

HACLA has an internal goal of leasing all 3,365 EHV by December 31, 2023. HUD does not have a required lease-up date. With implementation of these action steps, HACLA had a solid number of new EHV leases in February and anticipates increased leasing in March and the months that follow. HACLA will continue to provide the Housing and Homelessness Committee reports on a regular basis as needed.

And as a further example of the leasing push that HACLA is currently undertaking, the agency executed 550 new leases across all programs in the month of February, the largest number of executed leases in HACLA's history, with March on track to equal or exceed that number as well.

As noted, HACLA administers a variety of PSH programs for the homeless. This report back focused on the EHV program. Two other PSH programs were mentioned in CF 23-0148. To clarify, the Continuum of Care (CoC) Program is another homeless program with distinct funding from a separate section of HUD. The most recent award in that program was issued primarily for support services funding rather than housing assistance. LAHSA has recognized for some time the challenges in utilizing all CoC funding. HUD Technical Assistance was brought in 3 years ago resulting in the establishment of the regional Housing Central Command which has seen improvements in program utilization, of which HACLA has been an integral part.

The Project-Based Voucher (PBV) program, another PSH program, was also referenced in the motion in relation to the Brynhurst pilot meetings. HACLA does conduct regular meetings with developers in that program to expedite leasing and works with LAHSA in a similar way as noted to ensure that EHV clients are receiving support in housing placement.