



## COUNTY OF SONOMA

575 ADMINISTRATION  
DRIVE, ROOM 102A  
SANTA ROSA, CA 95403

### SUMMARY REPORT

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**Agenda Date:** 6/4/2019

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**To:** Board of Commissioners

**Department or Agency Name(s):** Community Development Commission

**Staff Name and Phone Number:** Martha Cheever, 565-7500

**Vote Requirement:** Majority

**Supervisory District(s):** All

**Title:**

Update of the Sonoma County Housing Authority's Administrative Plan

**Recommended Actions:**

Receive and authorize changes to the Sonoma County Housing Authority Administrative Plan (Admin Plan)

**Executive Summary:**

The Sonoma County Housing Authority is proposing significant changes to its annual Administrative Plan, which governs the Housing Choice Voucher Program and related services. The most notable recommended change is the cancellation of the program's current waitlist, which has in excess of 26,000 applicants, and conversion to a lottery waitlist system. Several additional minor changes seek to clarify various aspects of the program's operation. Together, these recommendations aim to increase program access and provide transparent and predictable service in an equitable manner.

**Background:**

The Sonoma County Housing Authority (Housing Authority) administers the Housing Choice Voucher (Voucher) Program under contract with the U.S. Department of Housing and Urban Development (HUD). Vouchers are the federal government's primary method for helping very low-income families, the elderly, and the disabled rent housing from private landlords. The Housing Authority's Voucher Program is also a useful tool to facilitate affordable housing development, which offers a subsidy to a new or rehabilitated development through project-based vouchers, which tie assistance to specific units.

Federal regulation 24 CFR § 982.54 requires all Housing Authorities to adopt a written Administrative Plan (Admin Plan) to ensure that local programs operate within HUD's requirements. The Admin Plan dictates the program's waitlist management, preferences, and other local needs-based policies. If a Housing Authority proposes substantive changes to its Admin Plan, public engagement is required to solicit feedback on the changes.

In September 2017, CDC management identified possible opportunities for Voucher Program improvement and selected the firm Quadel Consulting and Training to review Housing Authority operations and policies.

Quadel's original scope of work was narrowed following the October 2017 wildfires and changes in CDC staff. Through a revised work plan, Quadel reviewed Housing Authority process organization, staff capacity, and training, while CDC management concentrated on policies and procedures.

After Quadel's work began, HUD's Office of Fair Housing and Equal Opportunity (FHEO) conducted a routine review of the Housing Authority in May 2018. HUD's review was independent from the CDC-initiated analysis, though both took place concurrently. In June 2018, CDC management identified possible program issues that stemmed from the Voucher Program's "residency" preference and suspended use of the preference indefinitely. While residency preferences are not prohibited, over time, with a continuously open waitlist, the preference became a requirement of the Sonoma County program. During discussions with HUD, it was determined that since Sonoma County's residency preference had a disparate impact upon minority populations, its use is no longer an advisable practice.

Several months later, in September 2018, HUD completed its initial assessment, which confirmed staff's concerns over the residency preference and identified other areas that required attention. Based on CDC management's review and Quadel and HUD's assessments, the CDC began working to propose changes to improve the Voucher Program.

HUD's assessment, in particular, confirmed the need to update the Voucher Program. HUD and the CDC have reached a preliminary agreement that addresses these specific changes related to the waitlist and the application and selection processes, among other things. As reflected in the updated Admin Plan, the proposed changes also address Project Based Vouchers, Reasonable Accommodations, and the grievance process.

#### **Discussion:**

While many public housing authorities use waitlist lotteries as a way to fairly distribute scarce resources and give applicants a realistic timeframe for service, Sonoma County's waitlist has remained open for almost 20 years, operating on a first-come, first-served, preference-based system. As a result of this setup, the current waitlist has more than 26,000 households. With roughly 300 vouchers becoming available each year, it would take decades to reach every household currently on the waitlist.

Cancelling the current waitlist and converting to a lottery-based system will create an equitable system that provides a real expectation of service to applicants - a feature that does not exist under the current structure. This proposed practice aligns with expectations set by HUD in PIH Notice 2012-34(HA), stating that a Housing Authority should "ensure equitable and consistent treatment of applicants, that needy families receive assistance as quickly as possible..."

Following a public hearing and approval by the Community Development Committee on May 22, 2019, the changes are now being presented to the Sonoma County Board of Commissioners. If approved by the Board, the current waitlist will be canceled and a new lottery-based waitlist system will begin. A new waitlist will open on July 1, 2019 for one month. Fourteen additional waitlists for project-based vouchers tied to specific units

will be open simultaneously and be presented as part of the main Voucher waitlist recruitment.

Once the application period closes on July 31, 2019, 500 applicants will be selected via lottery for placement on the new Voucher Program waitlist. Households on the new waitlist can expect to receive service within two years; the waitlist will remain closed until all 500 households are served, at which time the waitlist will reopen and the lottery system will repeat. Applicants not selected in the lottery may reapply during the next open application period.

The proposed changes include removing the residency preference because of its longstanding disparate negative impact on minority populations. Likewise, the layering of a variety of other preferences over time have made it impossible to provide any measure of predictability to people waiting on the list. Housing Authority leadership recommends returning to the original national preferences for seniors and people with disabilities, and eliminating all other preferences until further analysis can be complete under the new system and with the benefit of additional data analysis and community engagement

In all, the proposed changes will improve the Housing Authority's Voucher Program, making it more equitable, transparent, predictable, and efficient to operate. A summary of all of the proposed changes to the Administrative Plan is included as attachment 1 to this board item and a full copy of the Sonoma County Housing Authority Administrative Plan with proposed changes in redline is included as attachment 5.

As is allowed, the Housing Authority closed its waitlist on Friday, May 17, 2019 at 5:00 p.m. with the intention of cancelling the list in its entirety, should the proposed changes be approved. The need to cancel the entire waitlist stems from the fact that the current list is based on the preferences that created an unresponsive and exclusionary system. As such, drawing applicants from the current list would negatively impact all current and potential applicants. More than 26,000 households on the current waitlist were notified via U.S. Mail on May 3, 2019 of these proposed changes and have been provided with an opportunity to attend a public hearing at the Sonoma County Community Development Committee on May 22, 2019, or to provide written comment. The notification also included information related to the application process which will be conducted should the changes be approved. A summary of Committee Members' comments, along with public comment received are included as attachments 3 and 4 to this Board item.

**Prior Board Actions:**

10/23/2018: Changes to the Administrative Plan were approved by the Board of Commissioners

**FISCAL SUMMARY**

<b>Expenditures</b>	<b>FY 18-19 Adopted</b>	<b>FY19-20 Projected</b>	<b>FY 20-21 Projected</b>
Budgeted Expenses			
Additional Appropriation Requested			
<b>Total Expenditures</b>			
<b>Funding Sources</b>			

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General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance			
Contingencies			
<b>Total Sources</b>			

**Narrative Explanation of Fiscal Impacts:**

The proposed updates to the Administrative Plan are procedural and do not impact revenues or expenditures.

<b>Staffing Impacts:</b>			
<b>Position Title (Payroll)</b>	<b>Monthly Salary Range (A - I Step)</b>	<b>Additions (number)</b>	<b>Deletions (number)</b>

**Narrative Explanation of Staffing Impacts (If Required):**

These proposed changes will have no staffing impacts.

**Attachments:**

1. Summary of Proposed Changes to the Sonoma County Housing Authority Administrative Plan
2. Summary of comments received from the members of the Community Development Committee during Public Hearing on May 22, 2019
3. Summary of public comment received
4. Sonoma County Housing Authority Administrative Plan with proposed changes in red-line

**Related Items "On File" with the Clerk of the Board:**

None