

**COUNTY OF SAN DIEGO
HOUSING AUTHORITY
WEDNESDAY, SEPTEMBER 01, 2021**

MINUTE ORDER NO. 1

**SUBJECT: EXPANDING AFFORDABLE HOUSING OPPORTUNITIES THROUGH
PROJECT-BASED VOUCHERS (DISTRICTS: ALL)**

OVERVIEW

The San Diego region faces a severe and chronic shortage of affordable housing units which directly impact housing insecurity and housing cost burden for lower-income households across the County. Over the past decade, the region has only produced enough very low-income housing to meet 10% of the need, and we are currently short approximately 32,000 very low-income units for households making under \$54,000 per year. Given this housing crisis, we need to leverage every available tool to develop more affordable housing. Project-based vouchers (or PBVs) are an underutilized resource administered by the Housing Authority of the County of San Diego (HACSD), which can be strategically deployed to create new affordable housing opportunities in low-poverty, resource-rich neighborhoods and to create dedicated housing for vulnerable populations such as low-income families, older adults, people with disabilities, and people who are formerly homeless.

Housing Choice Vouchers, which are sometimes referred to as Section 8 vouchers, are the largest program administered by HACSD with over 11,000 vouchers totaling \$160 million providing support to low-income tenants across the region. HUD administers two types of Housing Choice Voucher programs. The first is the tenant-based voucher, which is attached to a specific household. Participating households are responsible for finding their own rental unit on the private market. The household pays a share of the rent and utilizes (approximately 30% of their income), while the voucher pays the rest of the rent directly to the landlord, up to the local Fair Market Rent as set by HUD. The second type is the project-based voucher, or PBV, which is attached to a unit rather than a household. The eligibility and rent structure are similar to a tenant-based voucher.

PBVs are important because, unlike traditional tenant-based vouchers, they can address segregation and foster inclusive development by creating affordable housing units in low-poverty, resource-rich areas. Further, while tenant-based vouchers direct subsidies to private landlords, PBVs use the same subsidy to support the development of deeply affordable, income-restricted housing, permanent supportive housing, as well as dedicated housing opportunities for low-income families, older adults, people with disabilities, and people who are formerly homeless.

HUD allows local Public Housing Authorities to use up to 20% of housing vouchers as PBVs, but we currently utilize only 231 PBVs across 7 developments, compared to the total pool of 11,003 housing vouchers (2% of the total).

Today's action directs HACSD staff to develop a plan to increase the usage of PBVs to support affordable housing development and preservation projects across the County. This will better leverage our existing resources, add to the regional supply of dedicated affordable housing, increase the production of deeply affordable units, and create more diversity and housing accessibility in resource-rich neighborhoods.

We urge our colleagues to join us in supporting this item.

RECOMMENDATION(S)

SUPERVISOR TERRA LAWSON-REMER AND VICE-CHAIR NORA VARGAS

1. Direct the Executive Director/Health and Human Services Agency Director to develop a plan to expand the use of project-based housing choice vouchers to support affordable housing development and preservation projects. The plan should cover include the following:
 - An analysis of voucher attrition rates, voucher porting, projected fair market rents, and the projected number of vouchers available for PBV utilization over the next 5 years.
 - An analysis of the voucher waitlist system. HACSD should evaluate national best practices to assess if moving to a centralize waiting list would create greater efficiency, accessibility, and simplicity for households wishing to apply for PBV units. Further, HACSD should consider regional partnerships and coordination with other Public Housing Authorities to simplify and streamline various PBV and tenant-based voucher waitlist systems.
 - Priorities for awarding project-based vouchers to housing projects located in low VMT areas or communities located near high transit priority areas, and for projects that include sustainable building materials and sustainable design principles, per design standards by LEED, EnergyStar, BREEM or an equivalent sustainability certification body.
2. Direct the Executive Director/Health and Human Services Agency Director to report back with a memo detailing the plan as described above to the Board by November 1, 2021, for further policy direction. A final plan is anticipated to be included in the Fiscal Year 2022-2023 Public Housing Agency Annual Agency Plan.

EQUITY IMPACT STATEMENT

As mandated by federal regulations, for FY 2021-2022 75% of new admissions to the program must qualify as an extremely low-income family earning 30% of area median income or less (\$29,100 for a family of two and/or \$36,350 for a family of four) and the other 25% of admissions must qualify as a low-income family earning 50% of area median income or less (\$48,500 for a family of two and/or \$60,600 for a family of four).

As of April 2021, the leased participant distribution includes:

- 44% are older adults and/or people with disabilities single tenants
- 13% are single parents with children in the household
- 40% of participants have children in the household
- 65% of households where head or spouse is either an older adult or a person with a disability
- 22% are older adults
- 32% are people with disabilities
- 30% are under the age of 18

FISCAL IMPACT

There is no fiscal impact associated with this action. There will be no change in net County General Fund cost and no additional staff years.

BUSINESS IMPACT STATEMENT

This action will positively impact the economic outlook and business climate across the San Diego region. High cost of living and housing cost burden are major barriers for businesses looking to attract and retain a highly skilled workforce. Each year, the County of San Diego loses a net total of 23,000 people, with the high cost of living as one of the driving factors. Further, households that are not housing cost burdened tend to have more disposable income to stimulate local economic spillover effects.

ACTION:

ON MOTION of Commissioner Vargas, seconded by Commissioner Lawson-Remer, the San Diego County Housing Authority took action as recommended.

AYES: Vargas, Anderson, Lawson-Remer, Fletcher, Desmond, Penalosa, Bonds

State of California)
County of San Diego) §

I hereby certify that the foregoing is a full, true and correct copy of the Original entered in the Minutes of the Board of Supervisors.

ANDREW POTTER
Clerk of the Board of Supervisors



Signed
by Andrew Potter

