

City Council Communication 97-566

December 8, 1997 Agenda

Subject:

Increasing the Contract and Budget

Authority for a Section 8 Annual

Contributions Contract

Submitted by:

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Housing Services Director

Synopsis —

Increasing contract and budget authority for the Section 8 Annual Contributions Contract as a result of the expiring Moderate Rehabilitation (Mod Rehab) program units.

Fiscal Impact —

Increase contract authority for issuance of Section 8 Certificates/Vouchers with a total budget authority of \$177,324 over one year.

Recommendation —

Approval.

Background —

The Public Housing agency has a number of Annual Contributions Contracts with the U.S. Department of Housing and Urban Development (HUD) which typically expire upon depletion of budget authority.

The City Council is being asked to review and approve the contract and budget authority for Project Number IA020CE0041/42/43. This adjustment in the Annual Contributions Contract is required to meet the needs of those families currently occupying Section 8 Mod Rehab units that will terminate from the program. These units were originally placed under a 15-year contract with the agency, which require occupants to be Section 8 program eligible participants and awaiting assistance. Landlords/property owners have received "housing assistance payments" during the course of their contract with the agency which will no longer be available once the contract expires.

Section 8 Certificates/Vouchers is a tenant based program which will enable the Mod Rehab program participants to continue receiving housing assistance. Expiring Mod Rehab units will no longer be "project based", instead they will have the option of entering the open rental market or seeking assistance through the Section 8 program.

Upon approval, this matter will be returned to the local HUD office for final approval and authorization to release funds.