



AGENDA ITEM NO. 15

CITY OF HAWTHORNE City Council AGENDA BILL

For the meeting of September 24, 2024

Originating Department: Housing

City Manager:


Vontray Norris

Dir. of Housing:


Kimberly Mack

SUBJECT:

Section 8 Housing Choice Voucher Program, Award of Additional Administrative Fee Funding for Small Area Fair Market Rents Implementation

RECOMMENDED MOTION:

The staff recommends that the City Council:

1. Receive and approve for use, the Special Administrative Fees from the U.S. Department of Housing and Urban Development (HUD) to offset the transition cost of the mandatory use of Small Area Fair Market Rents (SAFMRs).
2. Authorize the Finance Department to make funds immediately available in the 810 account.

DISCUSSION:

On October 25, 2023, HUD published, "Small Area Fair Market Rents in the Housing Choice Voucher Program Metropolitan Areas Subject to Small Area Fair Market Rents (FR-6426-N-01)." Under this notice, which has an implementation date of October 1, 2024, HUD designated 41 new metropolitan FMR areas that must implement SAFMRs.

PHAs operating in newly designated mandatory SAFMRs will receive \$10,000 in special administrative fee to offset transition costs. PHAs do not need to apply for these funds as HUD will disburse them automatically based on PHAs' location in a designated mandatory SAFMR area.

Eligible transition costs could be related to activities that may include, but are not limited to, the following:

- Additional outreach to families and landlords on new FMR methodology and payment standards;
- Development of additional briefing materials;

- Hiring of additional staff;
- Staff training;
- Changes to rent reasonableness determinations methodology; and
- Required software modifications needed to accommodate SAFMRs.¹

The City of Hawthorne Housing Authority received confirmation notification on March 18, 2024, that HUD will be providing the additional Housing Program funds.

ECONOMIC DEVELOPMENT STRATEGIC PLAN:

None

FISCAL IMPACT:

None.

NOTICING PROCEDURES:

72 hours posted notice pursuant to the Ralph M. Brown Act

ATTACHMENT(S):

1. CA126_MSC_20240312_SAFMR_SpecialFees_M24-076 (002).pdf
2. CA126_POB_20240318_24-062 Mar24AF SAFMR_M24-077.pdf

¹ PIH 2023-07