

**SUBMITTED BY:** Xenia Gonzalez, Neighborhood Resources & Grants Director

**MANAGEMENT TEAM REVIEW:** Ana Urquijo, City Manager/Luis Pedroza, Deputy City Manager/City Treasurer

**FOCUS AREA:** Collaboration

**ORGANIZATIONAL IMPROVEMENTS:** N/A

**SUBJECT:** **SECOND READING of ORDINANCE NO. 22-1154**, an Ordinance of the Mayor and Council of the City of Douglas, Cochise County, Arizona, **DISSOLVING** the City of Douglas **PUBLIC HOUSING AUTHORITY**; Undertaking a Departmental Reorganization by **ELIMINATING** the Housing Department; establishing severability of components of Ordinance; and establishing an effective date thereof.

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**EXECUTIVE SUMMARY:**

The U.S. Department of Housing and Urban Development (HUD) has given approval for the transfer of The City of Douglas Public Housing Authority (PHA) Section 8 HCV and FSS programs to the Housing Authority of Cochise County (HACC) effective January 1, 2023 and the dissolution of the City of Douglas Housing Authority will be granted when all HUD established requirements have been met.

**BACKGROUND:**

Due the recent promotion of the Housing Manager and the pending retirement of both the Occupancy/HQS Specialist and the FSS Coordinator, the City began conversations earlier this year with Cochise County, for the transfer of the Housing Programs from the City of Douglas to Cochise County. Over the last several years, the PHA has not received adequate funding to keep up with operating expenses of the program and therefore has had to dip into reserves and the City's general fund has had to budget a subsidy for the PHA for the past few years, having budgeted a subsidy of \$36,667 for the current fiscal year.

The City of Douglas and Cochise County are working together to ensure a smooth transition and has little impact on program participants and landlords. Cochise County has pledged commitment to establish office hours at the Douglas Government Center to provide service to local program participants. There are many administrative tasks to be completed by the City of Douglas before HUD formally dissolves the City of Douglas Public Housing Authority. This ordinance will allow the undertaking of these tasks to execute and finalize the transfer of the program.

**DISCUSSION:**

For many decades, the City of Douglas Housing Authority has been the only stand-alone agency in Cochise County and HACC administers the Section 8 HCV program for all other cities in Cochise County. Also, HACC absorbed Graham County's program approximately 15 years ago and that arrangement has continued to work well for them. City staff is dedicated to work with HACC through the entire transfer process and will ensure compliance with all HUD regulations and requirements throughout the process.

City staff is requesting formal approval of this ordinance to transfer the City of Douglas Housing Program to HACC effective January 1, 2023 and subsequent dissolution of the City of Douglas Public Housing Authority upon HUD approval for dissolution.

**FISCAL IMPACT:**

The City of Douglas Housing Authority receives most of its funding for operations and rental assistance from HUD. The City will save approximately \$36,667 in the General Fund as a result of elimination of the budgeted subsidy.

In accordance with HUD regulations, the City will transfer all liquid assets and investments to the Housing Authority of Cochise County and HUD will direct all funding formerly allocated to the City of Douglas Housing Authority to the Housing Authority of Cochise County.

**Fiscal Year:** 2022/2023

**Amount Requested:** N/A

**Budgeted:** Y / N

**Account (s):**

**“...I MOVE THAT THE MAYOR AND COUNCIL APPROVE THE SECOND READING OF ORDINANCE NO. 22-1154 BY NUMBER AND TITLE ONLY.”**