Staff Reports Details (With Text)

File #:	1563-2018	**Version:**	1	**Name:**	
Type:	Consent Calendar			**Status:**	Passed
File created:	9/14/2018			**In control:**	HOUSING AUTHORITY
On agenda:	11/13/2018			**Final action:**	11/13/2018
Title:	Section 8 Housing Choice Voucher Program Payment Standards				
Sponsors:					
Indexes:					
Code sections:					
Attachments:	1. ATCH 1 - Resolution_Payment Standards.pdf, 2. ATCH 2 - Schedule of FMRs & Pymt Stds.pdf				

Date	Ver.	Action By	Action	Result
11/13/2018	1	HOUSING AUTHORITY	approved	Pass

To: Honorable Chair and Commissioners

From: Rick Tooker, Community Development Director

Prepared By: Michael Kucz, Rental Assistance Program Supervisor

TITLE:

Section 8 Housing Choice Voucher Program Payment Standards

RECOMMENDED ACTION:

Adopt a resolution approving updated Section 8 Housing Choice Voucher Program Payment Standards.

DISCUSSION:

The Section 8 Housing Choice Voucher Program (the “Voucher Program”) uses payment standards, which are the maximum subsidies that the Housing Authority can pay on behalf of a family (“Payment Standards”) based on the annual fair market rents (“FMRs”) established by the U.S. Department of Housing and Urban Development (“HUD”). Fiscal Year 2019 FMRs are calculated using the 2015 American Community Survey (“ACS”) one-year data, the 2011-2015 five-year data and information from local survey data. The latest FMR rates were published in the Federal Register and were effective October 1, 2018.

The Housing Authority is required by HUD to set the Payment Standard between 90% and 110% of the FMR for each bedroom size. The level at which the Payment Standard is set directly affects the amount of subsidy a family will receive, and the amount of rent paid by program participants. It also directly impacts the number of units that participants can rent within the Payment Standard. If the Payment Standard is too low, families may need to pay more than they can afford, or families may have a hard time finding housing.

The FMRs for Fiscal Year 2019 increased by 6% to 9% depending on bedroom size. The proposed Payment Standard revisions would similarly increase the Payment Standards by 6% to 9%. Voucher holders in general have been having an increasingly difficult time locating units in Napa County that rent within the current Payment Standards. The success rate over the past year for voucher holders utilizing their vouchers is 65%. Lack of affordable rentals is not the only reason for this, but it is one of the main reasons.

Staff recommends setting the Payment Standards for all bedroom sizes at 107.5% of the new FMR effective December 1, 2018. Raising the Payment Standards to this amount will increase the number of units available in the range of the Payment Standards and should increase the success rate for families issued vouchers to locate units while maintaining the HUD-recommended program reserve level of 3% to 4% of total annual housing assistance payments. Each unit is still required to meet a rent reasonableness test to ensure the unit's proposed rent is reasonable in comparison to rents for similar units in similar condition in the area.

Attachment 2 lists the current Payment Standards and the proposed increases.

FINANCIAL IMPACTS:

For FY 2019, the increase in Payment Standards can be absorbed within the Housing Authority's existing budget. Staff estimates that over time, increasing the Payment Standards will increase housing assistance payments by a total of approximately $350,000 per year. HUD typically funds the Housing Authority for the upcoming calendar year based on the amount it spent in the previous year. This means the increase in payments for calendar year 2019 would be funded from the Voucher Program's existing reserves which are currently at 6%. It is anticipated that in calendar year 2020, HUD would fund the Housing Authority an amount equivalent to the amount spent for housing assistance payments in calendar year 2019. If HUD does not increase the future funding, this increased cost would need to be absorbed through normal program attrition and program reserves.

CEQA:

The Community Development Director has determined that the Recommended Action described in this Agenda Report is not subject to CEQA, pursuant to CEQA Guidelines Section 15060 (c).

DOCUMENTS ATTACHED:

ATCH 1 - Resolution
ATCH 2 - Summary of Fair Market Rents and Payment Standards

NOTIFICATION:

Abode Services
Non-Profit Housing Providers