

To: Contra Costa County Housing Authority Board of Commissioners
 From: Joseph Villarreal, Housing Authority
 Date: January 17, 2017



Contra
Costa
County

Subject: HOUSING CHOICE VOUCHER PAYMENT STANDARDS EFFECTIVE OCTOBER 1, 2016

RECOMMENDATIONS

RATIFY the Housing Choice Voucher payment standards for the Housing Authority of the County of Contra Costa effective October 1, 2016.

BACKGROUND

Payment standards are used to calculate the housing assistance payment (HAP), or subsidy, that a housing authority (HA) will pay on behalf of families leasing units under the program. Each HA must establish a schedule of payment standard amounts by bedroom size. The range of possible payment standard amounts is based on HUD's published fair market rent (FMR) schedule for the FMR area within which the HA has jurisdiction. HACCC's payment standards are based on the FMRs for the Oakland-Fremont, CA Metro area which includes all of Alameda and Contra Costa Counties. FMRs are based on the 40th percentile of rents charged for standard housing in the FMR area. This is the dollar amount below which 40 percent of the standard-quality rental housing units are rented. HAs may set their payment standards amounts from 90% to 110% of the published FMRs without HUD approval. Payment standards can be set higher or lower than this basic range in response to market conditions with HUD approval.

Action of Board On: **01/17/2017** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

VOTE OF COMMISSIONERS

AYE: John Gioia, Commissioner
 Candace Andersen,
 Commissioner
 Diane Burgis,
 Commissioner
 Karen Mitchoff,
 Commissioner
 Federal D. Glover,
 Commissioner
 Jannel George-Oden,
 Commissioner

ABSENT: Fay Nathaniel,
 Commissioner

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: January 17, 2017

Joseph Villarreal, Executive Director

By: June McHuen, Deputy

Contact: 925-957-8028

cc:

The level at which the payment standards are set directly affects the amount of subsidy a family will receive, and the amount of rent paid by program participants. If the payment standard amount is too low:

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BACKGROUND (CONT'D)

Families may need to pay more for rent than they can afford; or

- Families may have a hard time finding acceptable units or units in more desirable areas; or
- Housing choices will be narrowed and the HA's efforts to affirmatively further fair housing will be undermined.

If the payment standards amounts are too high, owners may be encouraged to ask for higher than reasonable rents.

A comparison of the FMRs for the previous federal fiscal year (FFY) and the FMRs for the upcoming FFY is shown below.

Bedrooms	0	1	2	3	4	5	6	7
FFY 2016 FMRs	\$1,380	\$1,663	\$2,103	\$2,932	\$3,268	\$3,758	\$4,248	\$4,739
FFY 2017 FMRs	\$1,435	\$1,723	\$2,173	\$3,017	\$3,477	\$3,999	\$4,520	\$5,042
Percent Change	4%	3.6%	3.33%	2.9%	6.4%	6.4%	6.4%	6.4%

As first approved by the Board on May 12, 2015, HACCC's payment standards were split into two different amounts. Currently, one payment standard is used for all cities located in East County and a second for the rest of the cities in HACCC's jurisdiction. This was done to give families greater access to housing opportunities in low poverty neighborhoods throughout the County and also in an effort to minimize voucher concentration in East County while stemming the loss of vouchers in all other areas of HACCC's jurisdiction.

The proposed payment standards are shown below. They are based on the new HUD-approved FMRs and the leasing patterns of HACCC's clients. The proposed payment standards for the East County cities of Antioch, Bay Point, Bethel Island, Brentwood, Byron, Discovery Bay, Knightsen and Oakley are set at 100% of the newly revised FMRs. The proposed payment standards for the remaining portions of HACCC's jurisdiction are set at 110% of the new FMRs, the highest level they can be set at without special permission from HUD. The proposed payment standards are as follows:

Bedrooms	0	1	2	3	4	5	6	7
East County - 100%	\$1,435	\$1,723	\$2,173	\$3,017	\$3,477	\$3,999	\$4,520	\$5,042
All Others - 110%	\$1,578	\$1,895	\$2,390	\$3,318	\$3,824	\$4,398	\$4,972	\$5,546

FISCAL IMPACT

Funding for this program is provided by the U.S. Department of Housing and Urban Development (HUD). Funding for the proposed change is provided for in the Housing Authority of the County of

Contra Costa's (HACCC) current budget.

CONSEQUENCE OF NEGATIVE
ACTION

Should the Board of Commissioners not ratify the proposed payment standards, then HACCC will not be in compliance with HUD regulations and could be subject to financial sanctions or other penalties.

CLERK'S ADDENDUM