

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



Contra
Costa
County

Subject: HOUSING CHOICE VOUCHER PAYMENT STANDARDS EFFECTIVE OCTOBER 1, 2017

RECOMMENDATIONS

RATIFY the Housing Choice Voucher payment standards for the Housing Authority of the County of Contra Costa effective October 1, 2017.

BACKGROUND

Payment standards (PS) 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: **10/17/2017** ☒ 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: October 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:

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.

As approved by the Board on January 12, 2016, HACCC's payment standards were split into two different amounts. One payment standard was established for all cities located in East County and a second payment standard was established 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 to limit the tendency for families to lease in high poverty areas concentrated in East County

The proposed payment standards are shown below. They are based on the revised, FMRs published by HUD and made effective on October 1, 2017. The proposed payment standards are also based on market data and 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 for the East County cities of Antioch, Bay Point, Bethel Island, Brentwood, Byron, Discovery Bay, Knightsen and Oakley are set between 90 and 93.72% of the newly revised FMRs. It was HACCC's intention to make no changes to the 2016 Payment Standards, but a substantial increase in the FMR for four to seven bedroom units resulted in HACCC's Payment Standards falling below the HUD required range of 90% to 110% of the FMRs. Thus, while the studio to three bedroom size unit payments standards have remained the same from 2016, the larger bedroom sizes have increased to meet the minimum HUD threshold.

The proposed payment standards for the remaining portions of HACCC's jurisdiction have remained unchanged since 2016 and are now set between 96.92% to 102.62% of the FMRs. As you may recall, these payment standards were set at 110% of the FMR in 2016, but, because there was an increase in the FMR, the payment standard ratio relative to the FMR, has decreased. The proposed payment standards and the new FMRs are as follows:

EAST COUNTY - Antioch, Bay Point, Bethel Island, Brentwood, Byron, Discovery Bay, Knightsen, Oakley

	0-BR	1-BR	2-BR	3-BR	4-BR	5-BR	6-BR	7-BR
PS	\$1,435	\$1,723	\$2,173	\$3,017	\$3,552	\$4,085	\$4,617	\$5,150
FMR	\$1,540	\$1,855	\$2,329	\$3,219	\$3,946	\$4,538	\$5,130	\$5,722

% of FMR	93.18%	92.88%	93.30%	93.72%	90.02%	90.02%	90.00%	90.00%
----------	--------	--------	--------	--------	--------	--------	--------	--------

All Other Cities Except Pittsburg and Richmond:

	0-BR	1-BR	2-BR	3-BR	4-BR	5-BR	6-BR	7-BR
PS	\$1,578	\$1,895	\$2,390	\$3,318	\$3,824	\$4,398	\$4,972	\$5,546
FMR	\$1,540	\$1,855	\$2,329	\$3,219	\$3,946	\$4,538	\$5,130	\$5,722
% of FMR	102.47%	102.16%	102.62%	103.08%	96.91%	96.91%	96.92%	96.92%

The changes will be effective October 1, 2017 since the revised FMR resulted in some of HACCC's payment standards falling out of compliance with HUD's 90% to 110% of the FMR requirement. Adjustments will be made to previously completed cases

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