



**Contra
Costa
County**

To: Contra Costa County Housing Authority Board of Commissioners

From: Joseph Villarreal, Housing Authority

Date: September 14, 2021

Subject: ADOPT AND APPROVE THE HOUSING CHOICE VOUCHER PAYMENT STANDARDS EFFECTIVE
October 1, 2021

RECOMMENDATIONS

ADOPT and APPROVE the Housing Choice Voucher payment standards for the Housing Authority of the County of Contra Costa effective October 1, 2021.

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: **09/14/2021** ☒ 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
Cynthia Jordan,
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: September 14, 2021

Joseph Villarreal, Executive Director

By: June McHuen, Deputy

ABSENT: Joanne Segura,
Commissioner

Contact: 925-957-8028

cc:

BACKGROUND (CONT'D)

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:

- 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 on August 06, 2021 and made effective on October 1, 2021. The results of the study indicated that FMRs for all bedroom-size units have gone down between 3.57% and 7.39%.

Since payment standards must be within a range of 90% to 110% of the FMR, HACCC was had to change some of the old Payments Standards in the non-East County areas because, keeping them at their current levels, they will exceed the maximum threshold range. While the amount of the payment standards for the East County cities of Antioch, Bay Point, Bethel Island, Brentwood, Byron, Discovery Bay, Knightsen and Oakley will remain unchanged, the percentage of the FMR for these amounts will change. The new East County Payment Standards will now be set between 98.5% and 101% of the FMRs. This is a change from last year's East County Payment Standards which were set between 92.99% and 95.01% of the FMRs. However, for the rest of the County, HACCC's Payment Standards now fall above the HUD required range of 90% to 110% of the FMRs. The 2020 payment standards were set at approximately 105% of the FMRs with the dollar figures increasing slightly across all bedroom sizes. For FY2021, however, the payment standards will be set at approximately 110% of the FMRs, but the dollar amounts will need to be reduced for the 2 bedrooms through the 7 bedroom-sized units to remain below the threshold of 110% of the FMRs.

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	\$1,515	\$1,837	\$2,264	\$3,036	\$3,593	\$4,131	\$4,670	\$5,212
FMR	\$1,538	\$1,854	\$2,274	\$3,006	\$3,578	\$4,114	\$4,651	\$5,188
% of FMR	98.50%	99.08%	99.56%	101.00%	100.42%	100.41%	100.41%	100.46%
Change in PS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

All Other Cities Except Pittsburg and Richmond:

	0-BR	1-BR	2-BR	3-BR	4-BR	5-BR	6-BR	7-BR
PS	\$1,675	\$2,031	\$2,501	\$3,306	\$3,935	\$4,525	\$5,116	\$5,706
FMR	\$1,538	\$1,854	\$2,274	\$3,006	\$3,578	\$4,114	\$4,651	\$5,188
% of FMR	108.91%	109.55%	109.98%	109.98%	109.98%	109.99%	110.00%	109.98%
Change in PS	\$0	\$0	(\$1)	(\$50)	(\$121)	(\$139)	(\$157)	(\$175)

The changes will be effective October 1, 2021. All annual certifications that have already been processed will not have to be re-calculated since the implementation date of the new payment standards will be January 1, 2022. However, all new contracts and tenancies will begin to use the new Payment Standards on or after October 1, 2021.

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 adopt and approve the proposed payment standards, then HACCC will not be in compliance with HUD regulations and could be subject to financial sanctions or other penalties.