



# Yolo County Housing

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## BOARD OF COMMISSIONERS

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DATE: July 8, 2010  
TO: YCH Board of Commissioners  
FROM: Lisa A. Baker, Executive Director  
PREPARED BY: Irma Jimenez-Pérez, Action Housing Assistance Supervisor  
SUBJECT: **Review and Approve Resolution to Amend the Payment Standards used for the YCH Housing Choice Voucher Program**

### RECOMMENDED ACTIONS:

That the Board of Commissioners:

1. Adopt the Resolution Amending the Payment Standards for the Housing Choice Voucher Program for Yolo County Housing; and
2. Authorize the Executive Director to implement new Payment Standards effective October 1, 2010.

### BACKGROUND / DISCUSSION:

Payment Standards are used to calculate the Housing Assistance Payment (HAP) that Yolo County Housing (YCH) pays to an owner on behalf of the family leasing a unit. YCH has the legal ability to establish its schedule of Payment Standard amounts by bedroom size and also by jurisdiction if the Agency covers a broad rental market. Regulations at 24 CFR 982.503 require, however, that payment standards by bedroom size cannot be less than 90% nor greater than 110% of the current published U.S. Department of Housing and Urban Development (HUD) Fair Market Rent (FMR).

In October 2007, the Board of Commissioners authorized the creation of two separate Payment Standards: 110% of FMR for the City of Davis and 100% of FMR for the balance of Yolo County's markets. On July 9, 2009, the Board of Commissioners authorized the YCH to set Payment Standards at 90% of Fair Market Rent (FMR) across all rental markets in an effort to continue to provide the greatest amount of affordable housing to the greatest number of households. YCH also received HUD approval for immediate implementation of the reduction. This reduction originally affected all households participating in our Voucher program. In December 2009, HUD rescinded its approval for immediate implementation and existing households were returned to the original Payment Standard (PS) until the time of their 2<sup>nd</sup> annual reexamination of household income and family composition or until the time a family moved with continued assistance to another unit. All new entries into the program and all families who move to another assisted unit are subject to the 90% of FMR Payment Standards. All other families are due to be affected on their annual reexamination, beginning with those households whose annual reexamination is due on October 1, 2010.

Payment standards should be high enough to allow families a reasonable selection of modest, decent, safe and sanitary housing. In addition, the Agency should try to serve as broad a population and market as possible. In reviewing the areas that have the highest amount of multi-family rental housing stock - West Sacramento, Davis and Woodland - we find that voucher holders continue to have the most difficult time finding housing within the City of Davis, especially at the 90% of FMR rate.

In order to better understand the rental market, staff conducts periodic rent reasonableness and rent market studies. In June 2010, staff conducted a random sample update of the market study that was last conducted in the summer of 2009. Based on these results, staff recommends a change in the current Payment Standard that will better reflect average rents within Yolo County's submarkets of Woodland, West Sacramento, Winters, Davis and the Unincorporated area. The proposed rates will not reach high end properties, but are set at the point where most rental prices fall.

Staff is proposing, in accordance with 24 CFR 982.503, to amend the Agency's Payment Standards at the following rates: 105% of the current fair market rents for the City of Davis and 95% for all other cities and unincorporated areas within YCH's jurisdiction. YCH is allowed by regulation to make these increases without additional approvals from HUD. Exception rents in excess of 110% of FMR would require additional documentation and HUD approval.

This is consistent with where HUD has been positioning Fair Market Rents. HUD-set FMR's have fallen in Yolo County since 2008 rents. Setting the rents at this level would help ensure that the YCH will not be forced to reduce rents when new FMR's are released on or about October 2010 if HUD further reduces rent levels.

At this time, YCH has sufficient funding to house its families and is calling households from the wait list to fill vacancies within the program. However, Voucher funding continues to be volatile and funding formula fixes have not been implemented. In addition, rents within the community overall have fallen since Payment Standards were set in 2007.

Overall impacts to households are expected to be minor with the proposed change from where households are currently and will mitigate the drop in assistance that would result in dropping Payment Standards from 110% to 90% in the City of Davis and from 100% to 90% in the rest of the County in October 2010 if Payment Standards are not amended.

The following table shows the current Federal Fair Market Rents and the proposed new YCH payment standards to be effective 10/1/2010:

**Federal Fair Market Rents effective 10/01/2009** (slightly lower than 2008)

Bd Size:	0	1	2	3	4	5	6
FMR:	813	861	1052	1533	1631	1876	2120

**Proposed Payment Standards effective 10/01/2010**

Bd Size:	0	1	2	3	4	5	6
Davis:	854	905	1105	1610	1713	1970	2226

All Others:	773	818	1000	1457	1550	1783	2014
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Payments Standards that will go into effect on 10/1/2010 if revised standards are not adopted:

<b>Bd Size:</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
90%:	735	777	950	1384	1472	1692	1913

As you can see, there is a \$41.00 per month difference between a 1-bedroom PS at 90% and 95% of FMR and a \$128 per month difference between the 1-bedroom PS at 90% and 105% of PS for the City of Davis.

**FISCAL IMPACT:**

YCH has ACC authority to lease 1,487 vouchers. There is sufficient funding to serve approximately 1,350 families at this time. Raising the payment standards to 95 – 105% of the FMR will allow program participants to continue to have affordable rents, ensure against another drop in federal FMR's and allow families who are searching to be more successful in finding rental units. There should be no long term impact to the number of families the YCH can serve on an annual basis based on this increase.

**CONCLUSION:**

The Board of Commissioners should approve the recommended action.

Attachment: Resolution

**YOLO COUNTY HOUSING**

**RESOLUTION NO. \_\_\_\_\_**

**(Resolution Amending Yolo County Housing’s Housing Choice Voucher Program Payment Standard Schedule)**

**WHEREAS**, the Department of Housing and Urban Development (HUD) has published the 2009 Fair Market Rents (FMR) for Yolo County, California; and

**WHEREAS**, the current Payment Standards are set at 90% of 2008 FMR’s for the entire services area; and

**WHEREAS**, Yolo County Housing wishes to ensure that voucher holders have the ability to compete in the market place for modest rental housing in order to assist households in the provision of decent, safe and sanitary affordable housing; and

**WHEREAS**, Yolo County Housing believes this will be best accomplished by creating a Payment Standard for Yolo County (including the cities of West Sacramento, Winters, and Woodland, and its unincorporated communities) and a separate Payment Standard for the City of Davis; and

**WHEREAS**, Yolo County Housing further proposes to set these Payment Standards at 95% of FMR for the Woodland, Winters, West Sacramento and unincorporated Yolo County submarkets and 105% of FMR for the City of Davis.

**NOW, THEREFORE, BE IT RESOLVED, ORDERED AND FOUND** by the Board of Commissioners of the Housing Authority of the County of Yolo, as follows:

1. Each of the foregoing recitals is true and correct.
2. The Board of Commissioners hereby ratifies, confirms, and approves amending the Housing Choice Voucher Program Payment Standards effective October 1, 2010, as outlined in the table below:

<b>YCH Payment Standard for the City of Davis, California – Effective October 1, 2010</b>						
<b>0 Bdrm</b>	<b>1 Bdrm</b>	<b>2 Bdrm</b>	<b>3 Bdrm</b>	<b>4 Bdrm</b>	<b>5 Bdrm</b>	<b>6 Bdrm</b>
<b>\$854</b>	<b>\$905</b>	<b>\$1105</b>	<b>\$1610</b>	<b>\$1713</b>	<b>\$1970</b>	<b>\$2226</b>

YCH Payment Standard for Yolo County (cities of West Sacramento, Winters, Woodland, and all unincorporated areas in YCH jurisdiction) – Effective October 1, 2010						
0 Bdrm	1 Bdrm	2 Bdrm	3 Bdrm	4 Bdrm	5 Bdrm	6 Bdrm
\$773	\$818	\$1000	\$1457	\$1550	\$1783	\$2014

**EFFECTIVE DATES:** This resolution shall take effect from and after the date of its adoption.

**PASSED AND ADOPTED,** by the Board of Commissioners of the Housing Authority of the County of Yolo, County of Yolo, State of California, this 8<sup>th</sup> day of July 2010, by the following vote:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

\_\_\_\_\_  
Matt Rexroad, Chair  
Board of Commissioners of the  
Housing Authority of the County of Yolo

Approved as to Form:

By: \_\_\_\_\_  
Sonia Cortés, Agency Counsel

Attest:  
Julie Dachtler, Clerk  
Board of Commissioners of the  
Housing Authority of the County of Yolo

By: \_\_\_\_\_