



Yolo County Housing

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DATE: December 8, 2011

TO: YCH Board of Commissioners

FROM: Lisa A. Baker, Executive Director

PREPARED BY: Irma Jiménez-Pérez, 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 Standard for the Housing Choice Voucher Program.
2. Authorize the Executive Director to implement new Payment Standards effective January 1, 2012.

BACKGROUND / DISCUSSION:

The Housing Choice Voucher Payment Standards are used to calculate the amount of Housing Assistance Payments (HAP) that Yolo County Housing (YCH) will make to landlords on behalf of families leasing a unit under the Voucher (HCV) Program. Payment Standards are established by each Housing Agency for its jurisdiction by bedroom size. In addition, different Payment Standards may be used for higher cost areas within the Agency's jurisdiction. Part 982.503 of Title 24 of the Code of Federal Regulations requires that the Payment Standards for each bedroom size be established at an amount not lower than 90%, and not greater than 110%, of the Fair Market Rent (FMR) published by the U.S. Department of Housing and Urban Development (HUD). For the federal Fiscal Year 2012, HUD published the FMR on October 1, 2011; the FMR decreased by 6.6%.

In October 2007, the Board of Commissioners authorized the creation of two separate payment standards for Yolo County: one for the City of Davis and one for the rest of cities in Yolo County to allow families to select modest, decent, safe and sanitary housing. Currently the payment standards are set at approximately 104% of the 2011 FMR for the City of Davis and approximately 94% for all other areas and are not in compliance with the regulations due to the 6.6% decrease in the 2012 FMR. The City of Davis' current payment standard is set at approximately 111.6% of the new FMR while the payment standard for rest of the County areas is set at approximately 100.8%.

24 CFR 982.507 requires Housing Agencies to perform a rent reasonableness test for each unit at the time of the initial contract, when the landlord requests a rent increase or when the FMR decreases by five percent sixty days before the contract anniversary date. Staff conducted a rent survey in the summer, based on a random sample of units in apartment complexes in the county to update the rent reasonableness database and is performing the rent reasonableness test for each unit as required. Staff negotiates the contract rent amount with landlords when necessary to ensure compliance with the affordability requirement.

Staff is proposing to amend the Agency's payment standards, based on the results of the survey and to comply with federal regulations as stipulated in 24 CFR 982.503, while also minimizing the number of families that would be impacted by a decreased payment standard. Based on this analysis, staff proposes the following adjustments to the current YCH Payment Standard: 110% of the 2012 FMR for the City of Davis and 100% of the FMR for all other County areas. While the percentage of FMR is higher, the actual amount of assistance we would be paying is less due to the FMR reduction and the decreased payment standard will be applied at the second annual re-examination or at the time of the initial lease for families moving to a new unit. In addition to maintaining affordable rents for participants, adjusting the payment standards to these rates will still allow participants who are searching for a new unit to find decent housing, especially in higher cost areas.

Staff realizes that the decision to set the payment standards at the proposed amounts has been a difficult one, considering that a lower payment standard might help YCH assist a greater number of families, but at the same time making it more difficult for families to afford the rent, especially in the ongoing difficult economic climate. Staff proposes this middle way in order to remain committed to following regulations, assisting as many as possible, while impacting as few YCH families as it can. It is also important to keep in mind that HUD could impose an additional decrease in the FMR for 2013 and staff took this into consideration in its analysis.

The following tables demonstrate the 2012 FMR and the YCH proposed new payment standards:

Yolo, CA HUD Metro 2012 FMR effective 10/1/2011

Bedroom Size	0	1	2	3	4	5	6
FMR	767	811	992	1445	1538	1769	1999

Proposed Payment Standards effective 1/1/2012

Bedroom Size	0	1	2	3	4	5	6
City of Davis	843	892	1091	1589	1691	1945	2198
All Other Areas	767	811	992	1445	1538	1769	1999

The following tables show the 2011 FMR and current YCH payment standards:

Yolo, CA HUD Metro 2011 FMR

Bedroom Size	0	1	2	3	4	5	6
FMR	821	869	1062	1547	1646	1893	2140

Payment Standards effective 10/1/2010

Bedroom Size	0	1	2	3	4	5	6
City of Davis	854	905	1105	1610	1713	1970	2226
All Other Areas	773	818	1000	1457	1550	1783	2014

The decrease in payment standards ranges between \$6.00 and \$28.00 depending on the unit size and its location.

FISCAL IMPACT:

YCH has an Annual Contribution Contract to lease up to 1,727 vouchers; however, current prorated HUD funding supports assistance for approximately 1,347 families at this time. Slight savings in HAP will be seen when families move to new units in 2012, and in 2013 when the lowered payment standard will be applied to participants who choose to remain in their current homes.

CONCLUSION:

Staff recommends that the Board of Commissioners 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 2012 Fair Market Rent (FMR) for Yolo County, California, and

WHEREAS, the current Payment Standards are set at 104% of the 2011 FMR for the City of Davis, and at 94% of the 2011 FMR for the rest of areas in the County; and

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

WHEREAS, Yolo County Housing proposes to set these Payment Standards at 100% of FMR for the cities of Woodland, Winters, West Sacramento and unincorporated Yolo County submarkets, and at 110% 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 January 1, 2012, as outlined in the table below:

YCH Payment Standard - Effective January 1, 2012							
Bedroom Size	0	1	2	3	4	5	6
City of Davis	843	892	1091	1589	1691	1945	2198

YCH Payment Standard for Yolo County (cities of West Sacramento, Winters, Woodland, and all unincorporated areas in YCH jurisdiction) - Effective January 1, 2012							
Bedroom Size	0	1	2	3	4	5	6
All Other Areas	767	811	992	1445	1538	1769	1999

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 8th day of December 2011, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Jim Provenza, 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: _____