



Staff Report

File #: 19-377
Version: 1

Date: 8/12/2019
Item #: 3.3b.

TO: Chair and Housing Authority Commissioners

THROUGH: Steve Powers, Executive Director

FROM: Nicole Utz, Administrator

SUBJECT:

Revised Section Eight Administrative Plan.

Ward(s): All Wards

Commissioners(s): All Commissioners

Neighborhood(s): All Neighborhoods

Result Area(s): Safe Community; Welcoming and Livable Community.

ISSUE:

Shall the Commission adopt Resolution No. 2249 approving the Revised Section Eight Housing Program Administrative Plan modifying the subsidy standards and allowing the use of Small Area Fair Market Rent (FMR), effective September 2, 2019?

RECOMMENDATION:

Adopt Resolution No. 2249 approving the Revised Section Eight Housing Program Administrative Plan modifying the subsidy standards set forth in Chapter Five and implementing the use of Small Area Rent (FMR), effective September 2, 2019.

SUMMARY:

Rents in the Salem / Keizer area have increased at a double digit pace over the past 24 to 36 months, and with vacancy rates below 2% in many areas, rents for modest housing will likely move higher with little relief.

The proposed revisions would change the subsidy standards as found in Chapter 5 of the Section Eight Administrative Plan to align better with the standards that landlords in the community use, as well as allow some one-bedroom vouchers to become two-bedroom vouchers. This will help alleviate the difficulty of finding enough one bedroom units in the community and support current needs.

FACTS AND FINDINGS:

SHA is allocated a total of 3,077 regular vouchers by the Department of Housing and Urban Development (HUD) to help extremely and very low-income families find safe, decent, affordable housing.

With rising rents, and a majority of clients receiving smaller sized vouchers, SHA needs to allow families more flexibility in finding and securing permanent housing. Staff is recommending that a new minimum standard be applied to all new clients, current clients that choose to move, or a new client moving into our jurisdiction. The new minimum standard will be adjusted to one bedroom for the head, spouse, and/or co-head and one bedroom per two persons. Current clients will not immediately be affected unless they are living in a larger unit and would now qualify for that unit at their annual recertification or if they choose to move and obtain a new voucher. This change will allow more opportunities for clients to find suitable housing and will better align with landlord policies regarding subsidy standards.

SHA will implement Small Area FMRs to a majority of the zip codes in our jurisdiction. This is allowed in the Administrative Plan with consent of the Housing Authority Commission. Studio and one-bedroom units are the hardest to place because rents are much higher than the current standard published FMR. When implementing Small Area FMRs, HUD looks at each zip code and applies a different FMR for each area. The FMR per zip code policy will allow us to increase the necessary payment standards to a rate much closer to current market rates and will allow clients to qualify for units that they would not have under the regular published FMRs.

HUD requires the Housing Authority Commission's consent to revise of the Administrative Plan. The proposed revision is a policy decision allowed by HUD.

Modifications have been made to the Administrative Plan affecting the initial and on-going eligibility criteria for applicants and participants in the Program.

Section 5 II B; Establishes that the voucher size will be issued based on one bedroom for the head/spouse/co-head and one bedroom for each two persons after that regardless of family composition.

Section 6 III C; Updated wording to include Small Area FMR's, which are considered exception payment standards.

The last revision to the Administrative Plan was effective May 31, 2018. The proposed revisions would be effective September 2, 2019. A copy of the proposed revised Plan is not included in the printed version of this report due to size constraints.

BACKGROUND:

The Section Eight Housing Program Administrative Plan establishes by policy the subsidy standards for voucher families. The subsidy standard controls the number of bedrooms any one family will be

able to receive based on family size and make-up, i.e. gender, adults, and children. Salem Housing Authority (SHA) also determines the appropriate number of bedrooms and enters the family unit size on the voucher issued to the family. Under Fair Housing law, SHA and landlords cannot prescribe bedroom/sleeping arrangements for any voucher client.

Nicole Utz
Housing Administrator

Attachments:

1. Resolution No. 2249
2. Exhibit 1, Resolution No. 2249