STAFF REPORT
BOARD OF COMMISSIONERS

Agenda Category: Resolution Leased Housing
Agenda Title: RESOLUTION APPROVING AND AUTHORIZING NEW PAYMENT STANDARDS FOR THE HOUSING CHOICE VOUCHER PROGRAM OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO, EFFECTIVE DECEMBER 1, 2017
Presented By: Sarah Ramler, Director of Leased Housing

DEPARTMENT'S REQUESTED ACTION:
Staff recommends adoption of this Resolution approving these payment standards.

ACTING EXECUTIVE DIRECTOR’S RECOMMENDATION: I concur with staff’s recommendation.

SUMMARY:
In accordance with 24 CFR 982.503, prior to the effective date of any new Fair Market Rents (FMRs) published by United States Department of Housing and Urban Development (HUD) for the market area of the Housing Authority of the City and County of San Francisco (Authority), the Authority must review its payment standard schedule and amend it as needed to ensure that the payment standards remain within the basic range of 90 percent to 110 percent of the new FMRs. On September 1, 2017, HUD published the 2018 Fair Market Rents for San Francisco, California.

The level at which the payment standard amount is 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 than they can afford and experience rent burdens;
- Families may have a hard time finding acceptable units or units in more desirable areas;
- Housing choices will be narrowed and the Authority’s efforts to affirmatively further fair housing and maintain leasing will be undermined.

The Authority has determined that the high cost and low vacancy issues in the San Francisco area make finding affordable housing to lease in a timely manner difficult. The current success rate of regular voucher holders is approximately 38%. The Authority hopes that this increase in the payment standard will further assist the Authority’s ability to house low income families. Overall, the payment standards for each bedroom size will increase by the below percentages. The four, five, and six bedroom payment standards will decrease by 1%. However, the Authority is implementing procedures around maintaining current payment standard levels for existing clients to avoid any negative impacts. The decreased amounts will only be applicable for new admissions, new moves, and new port in clients. The Authority is requesting to set the payment standards for the Housing Choice Voucher (HCV) Program effective December 1, 2017 for new admissions and January 1, 2018 for annual recertifications as follows:

<table>
<thead>
<tr>
<th>UNIT SIZE</th>
<th>FY2018 HUD Fair Market Rents (FMR)</th>
<th>SFHA Payment Standards (1/1/18)</th>
<th>% of HUD FMR</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>SRO</td>
<td>$1,510</td>
<td>$1,661</td>
<td>110%</td>
<td>5%</td>
</tr>
<tr>
<td>STUDIO</td>
<td>$2,014</td>
<td>$2,215</td>
<td>110%</td>
<td>5%</td>
</tr>
<tr>
<td>ONE</td>
<td>$2,499</td>
<td>$2,748</td>
<td>110%</td>
<td>4%</td>
</tr>
</tbody>
</table>
Authority staff recommends the Board of Commissioners authorize the approval of the HCV payment standards effective December 1, 2017.

Attachments: Resolution

A copy of any attached documents is available at the clerk’s desk.
RESOLUTION NO: ___________  
ADOPTED: _______________ 

RESOLUTION APPROVING AND AUTHORIZING NEW PAYMENT STANDARDS FOR THE HOUSING CHOICE VOUCHER PROGRAM OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO, EFFECTIVE DECEMBER 1, 2017

WHEREAS, in accordance with 24 CFR 982.503 and the Section Eight Management Assessment Program (SEMAP), the United States Department of Housing and Urban Development (HUD) publishes the fair market rents for each market area in the United States. The Housing Authority of the City and County of San Francisco (Authority) must adopt a payment standard schedule that establishes voucher payment standard amounts for each Fair Market Rent (FMR) area in the Authority jurisdiction. For each FMR area, the Authority must establish payment standard amounts for each “unit size;”

WHEREAS, the payment standard amounts are used to calculate the monthly housing assistance payment for a family;

WHEREAS, the Authority Housing Choice Voucher (HCV) payment standard schedule establishes a single payment standard amount for each unit size;

WHEREAS, the Authority may establish the payment standard amount for a unit size at any level between 90 percent and 110 percent of the published FMRs for that unit size (the "basic range"), and HUD approval is not required to establish a payment standard amount in the basic range;

WHEREAS, the Authority has determined that the high cost and low vacancy issues in the San Francisco area make finding affordable housing to lease in a timely manner difficult and hopes that the increase in the payment standards will further assist the Authority’s ability to house low income families;

WHEREAS, on September 1, 2017 HUD published the FY2018 Fair Market Rents for the City and County of San Francisco.

WHEREAS, the Authority has sufficient budget authority to accommodate the increase in payment standards effective December 1, 2017 for all new admissions and January 1, 2018 for recertifications as set forth in the staff report and indicated in Attachment A.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO THAT:

1. The above recitals are true and correct, and together with the staff report, form the basis for the Board of Commissioners' actions as set forth in this Resolution.

2. The New Payment Standards for the Housing Choice Voucher Program for the Housing Authority of the City and County of San Francisco as set forth in Attachment A are hereby approved and the Acting Executive Director or her designee is authorized to apply such New Payment Standards, effective December 1, 2017.

3. This Resolution shall be effective as of December 1, 2017.
APPROVED AS TO FORM  
AND LEGALITY:

Dianne Jackson McLean,
Goldfarb & Lipman LLP,
Special Legal Counsel

Date:________________________

Barbara T. Smith, Acting Executive Director

Date:_______________________