July 30, 2009

Dear Participant

Subject: NOTICE OF PROPOSED DECREASE IN PAYMENT STANDARDS AND NOTICE OF PROPOSED IMMEDIATE IMPLEMENTATION

This letter contains important information about your voucher assistance payment and timing for implementation of a proposed reduction in the Payment Standard. This Notice serves as your Sixty Days Notice of Proposed Reduction in Housing Assistance Payment (HAP)

Effective October 1, 2009, the Housing Authority of the County of Yolo (informally known as Yolo County Housing) is proposing to reduce payment standards from their current rate to 90% of the current Fair Market Rent (FMR). This will take effect in the entire jurisdiction of the Housing Authority, including the City of Davis. The table below shows the current payment standard (PS) and the proposed revised payment standard by bedroom size:

County of Yolo, including Winters, Woodland, West Sacramento

<table>
<thead>
<tr>
<th>Bdrm size</th>
<th>0-bdrm</th>
<th>1-bdrm</th>
<th>2-bdrm</th>
<th>3-bdrm</th>
<th>4-bdrm</th>
<th>5-bdrm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current PS</td>
<td>783</td>
<td>829</td>
<td>1013</td>
<td>1476</td>
<td>1570</td>
<td>1805</td>
</tr>
<tr>
<td>Revised PS</td>
<td>735</td>
<td>777</td>
<td>950</td>
<td>1384</td>
<td>1472</td>
<td>1692</td>
</tr>
</tbody>
</table>

City of Davis

<table>
<thead>
<tr>
<th>Bdrm size</th>
<th>0-bdrm</th>
<th>1-bdrm</th>
<th>2-bdrm</th>
<th>3-bdrm</th>
<th>4-bdrm</th>
<th>5-bdrm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current PS</td>
<td>861</td>
<td>911</td>
<td>1114</td>
<td>1623</td>
<td>1727</td>
<td>1985</td>
</tr>
<tr>
<td>Revised PS</td>
<td>735</td>
<td>777</td>
<td>950</td>
<td>1384</td>
<td>1472</td>
<td>1692</td>
</tr>
</tbody>
</table>

This action will result in an approximately 9% decrease in the amount of Housing Assistance Payment (HAP) that will be available to be paid on your behalf if you live outside of Davis and an approximately 15% reduction in HAP for those who reside within the City of Davis. Your Specialist will be contacting you shortly with the exact amount of proposed HAP that will be paid on your behalf.

At this time, the Housing Authority is not proposing to terminate existing families from the program. However, if costs continue to rise, but revenues do not, the Housing Authority may be forced to take additional actions. These could include a further reduction of Payment Standards or the termination of households.

The next page has some more information on why we are taking this action.
We do not undertake this proposed reduction lightly. We understand the current economy and work hard to continue to provide assistance to you and to families in need. However, as you know, Yolo County Housing receives its funding from the federal government through the U.S. Department of Housing and Urban Development (HUD). The Housing Authority has a contract (called an “ACC”) with HUD, which is funded by Congress, to serve 1,487 families. But Yolo County Housing receives only enough budget to serve a portion of those families. Recently, we have been serving approximately 1,345 families with rental assistance, which is 142 families less than the ACC contract, but is approximately 112% of funding received, based on the current situation.

Unfortunately, the monies we receive from HUD have not kept pace with the needs of families in the community who have lost jobs, received benefit and income reductions or who have become disabled. As a result, the monies we receive do not stretch as far as they once did. In addition, the YCH had a “rainy day” fund, or reserve account, set aside for such emergencies. The YCH has been using that rainy day fund to keep you housed at current rates. Unfortunately, the costs are approximately $100,000 per month more than we receive from HUD and the rainy day reserve fund has been exhausted. No additional regular funds have been received by Yolo County Housing for its Voucher program at this time. The Housing Authority has received some set aside funds to help, but it is not enough to maintain the program at its current level.

Please know that we have been taking actions to reduce the amount of funding expended and to work towards increasing funding. In December 2008, we ceased housing families from the wait list and put families who had been called for a voucher back onto the wait list. We changed occupancy standards for households in order to lower costs and have taken a variety of other cost cutting measures. However, in the meantime, SSI has had three (3) income reductions, CalWorks has had a reduction and unemployment in Yolo County is above the State’s average. All these losses mean that it costs more to house a family now than it did one year ago. However, due to our cost cutting strategies and to our successful application for set aside funds, we have been able to reduce and soften the impacts on existing households, as well as continue to provide service to you.

At this time, Congress is debating next year’s budget. We here at YCH and our colleagues are working together to ensure that our elected and appointed representatives understand and are educated about the impacts to you of underfunding of the Voucher program. We hope that others will join us in this process.

If you have questions about this notice, please contact your Specialist. You may contact him/her via email or telephone. Our main number is 530-662-5428. You can get extensions and email addresses from our staff roster at www.ycha.org.

Sincerely,

Lisa A. Baker
Executive Director

Para leer esta carta en español, vaya a www.ycha.org
прочитать это письмо в Россия пойдите к www.ycha.org