

DRAFT
Yolo County Housing
Yolo County, California

May 20, 2013

MINUTES

The Yolo County Housing met on the 20th day of May, 2013, in regular session in its Chambers in the Erwin W. Meier Administration Building, 625 Court Street, Woodland, California at 1:00 p.m.

Present: Cecilia Aguiar-Curry; Skip Davies; Mark Johannessen; Rita Eisenstat; Jennifer Wienecke-Friedman

Absent: Helen Thomson

Staff Present: Lisa Baker, Executive Director
Sonia Cortés, Agency Counsel
Janis Holt, Resource Administrator
Julie Dachtler, Clerk

Attendees: Brett Lee (alternate)

1:00 P.M. CALL TO ORDER

1. Pledge of Allegiance.
2. Consider approval of the agenda.

Minute Order No. 13-19: Approved agenda as submitted.

MOTION: Wienecke-Friedman. SECOND: Johannessen. AYES:
Aguiar-Curry, Davies, Eisenstat, Johannessen, Wienecke-Friedman.
ABSENT: Thomson.

3. Public Comment: Opportunity for members of the public to address the Housing Authority on subjects not otherwise on the agenda relating to Housing Authority business. The Board reserves the right

to impose a reasonable limit on time afforded to any topic or to any individual speaker.

There was no public comment.

PRESENTATIONS

4. Presentation: Spring Fling and Health Fair

Lisa Baker and Janis Holt presented the Spring Fling and Health Fair.

CONSENT AGENDA

Minute Order No. 13-20: Approved Consent Agenda Item Nos. 5-7.

MOTION: Davies. SECOND: Johannessen. AYES: Aguiar-Curry, Davies, Eisenstat, Johannessen, Wienecke-Friedman.
ABSENT: Thomson.

5. Review and Approve Minutes for the Meeting of April 22, 2013

Approved the minutes of April 22, 2013 on Consent.

6. Review and Approve One Year Extension on Current Auditor Contract (Baker, Gillette)

Approved recommended action on Consent.

7. Review, Approve and Adopt Resolution Setting Flat Rents in Conventional Rental Housing (Krager, Chaudry)

Approved **Resolution No. 13-06** on Consent.

PUBLIC HEARING

8. Public Hearing to Review, Approve and Adopt Changes to the Housing Choice Voucher Administrative Plan and to the Public

Housing Admissions and Continued Occupancy Plan on Minimum Rent and Voucher Payment Standards (Krager, Chaudry, Jimenez-Perez, Baker)

Minute Order No. 13-21: Held public hearing and approved recommended action.

MOTION: Davies. SECOND: Eisenstat. AYES: Aguiar-Curry, Davies, Eisenstat, Johannessen, Wienecke-Friedman. ABSENT: Thomson.

REGULAR AGENDA

9. Receive Verbal Update on Budget and Vouchers (Baker)

Received verbal update on Budget and Vouchers.

10. Receive comments from Executive Director.

Received comments from the Executive Director.

11. Receive comments from Commissioners.

Received comments from the Commissioners.

ADJOURNMENT

Next meeting scheduled for: June 20, 2013 at 2:00 p.m.

Cecilia Aguiar-Curry, Chair
Yolo County Housing

Julie Dachtler, Clerk
Yolo County Housing

YOLO COUNTY HOUSING
AGENDA & SUPPORTING MATERIALS

May 20, 2013



YOLO COUNTY HOUSING
HOUSING COMMISSION

CECILIA AGUIAR-CURRY
SKIP DAVIES
RITA EISENSTAT
MARK JOHANNESSEN
BRETT LEE (ALTERNATE)
HELEN MACLEOD THOMSON
JENNIFER WIENECKE-FRIEDMAN

BOARD OF SUPERVISORS CHAMBERS
625 COURT STREET, ROOM 206
WOODLAND, CALIFORNIA 95695

LISA A. BAKER
EXECUTIVE DIRECTOR

SONIA CORTES
AGENCY COUNSEL

1:00 P.M. CALL TO ORDER

1. Pledge of Allegiance.
2. Consider approval of the agenda.
3. Public Comment : Opportunity for members of the public to address the Housing Authority on subjects not otherwise on the agenda relating to Housing Authority business. The Board reserves the right to impose a reasonable limit on time afforded to any topic or to any individual speaker.

PRESENTATIONS

4. Presentation: Spring Fling and Health Fair

CONSENT AGENDA

5. Review and Approve Minutes for the Meeting of April 22, 2013
6. Review and Approve One Year Extension on Current Auditor Contract (Baker, Gillette)
7. Review, Approve and Adopt Resolution Setting Flat Rents in Conventional Rental Housing (Krager, Chaudry)

PUBLIC HEARING

8. Public Hearing to Review, Approve and Adopt Changes to the Housing Choice Voucher Administrative Plan and to the Public Housing Admissions and Continued Occupancy Plan on Minimum Rent and Voucher Payment Standards (Krager, Chaudry, Jimenez-Perez, Baker)

REGULAR AGENDA

9. Receive Verbal Update on Budget and Vouchers (Baker)
10. Receive comments from Executive Director.
11. Receive comments from Commissioners.

ADJOURNMENT

Next meeting scheduled for: June 20, 2013 at 2:00 p.m.

I declare under penalty of perjury that the foregoing agenda was posted May 16, 2013 by 5:00 p.m. at the following places:

- On the bulletin board at the east entrance of the Erwin W. Meier Administration Building, 625 Court Street, Woodland, California; and
- On the bulletin board outside the Board of Supervisors Chambers, Room 206 in the Erwin W. Meier Administration Building, 625 Court Street, Woodland, California; and

- On the bulletin board of Yolo County Housing, 147 West Main Street, Woodland, California.

I declare under penalty of perjury that the foregoing agenda will be posted no later than May 17, 2013 by 1:00 p.m. as follows:

- On the Yolo County website: www.yolocounty.org.

Julie Dachtler, Clerk
Yolo County Housing

NOTICE

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Clerk of the Yolo County Housing Board
625 Court Street, Room 204
Woodland, CA 95695

Yolo County Housing
Yolo County, California

To: Co. Counsel ✓
Yolo County Housing ✓

CONSENT CALENDAR

Excerpt of Minute Order No.13-20 Item No. 5, of the Yolo County Housing meeting of May 20, 2013.

MOTION: Davies. SECOND: Johannessen. AYES: Aguiar-Curry, Davies, Eisenstat, Johannessen, Wienecke-Friedman. ABSENT: Thomson.

5.

Review and Approve Minutes for the Meeting of April 22, 2013

Approved the minutes of April 22, 2013 on Consent.

D R A F T
Yolo County Housing
Yolo County, California

April 22, 2013

MINUTES

The Yolo County Housing met on the 22nd day of April, 2013, in regular session in its Chambers in the Erwin W. Meier Administration Building, 625 Court Street, Woodland, California at 2:00 p.m.

Present: Cecilia Aguiar-Curry; Mark Johannessen; Rita Eisenstat; Jennifer Wienecke-Friedman

Absent: Skip Davies; Helen Thomson

Staff Present: Sonia Cortés, Agency Counsel
Julie Dachtler, Clerk

Attendees: Resource Manager Janis Holt in for Lisa Baker
Brett Lee - Alternate Commissioner

2:00 P.M. CALL TO ORDER

1. Pledge of Allegiance.
2. Consider approval of the agenda.

Minute Order No. 13-16: Approved agenda as submitted.

MOTION: Johannessen. SECOND: Eisenstat. AYES: Aguiar-Curry, Eisenstat, Johannessen. ABSENT: Davies, Thomson.

3. Public Comment: Opportunity for members of the public to address the Housing Authority on subjects not otherwise on the agenda relating to Housing Authority business. The Board reserves the right to impose a reasonable limit on time afforded to any topic or to any individual speaker.

There was no public comment.

PRESENTATIONS

4. Oath of Office for Commissioner Jennifer Wienecke-Friedman

Kristine Mann from the Elections Department swore in new Tenant Commissioner Jennifer Wienecke-Friedman.

CONSENT AGENDA

Minute Order No. 13-17: Approved Consent Agenda Item No. 1, with a minor correction to Agenda Item No. 5 that Irma Rodriguez should be Irma Jimenez-Perez.

MOTION: Johannessen. SECOND: Eisenstat. AYES: Aguiar-Curry, Eisenstat, Johannessen, Wienecke-Friedman. ABSENT: Davies, Thomson.

5. Review and Approve Minutes for the Meeting of March 28, 2013

Approved the March 28, 2013 Minutes on Consent, correcting Irma Rodriguez's name to Irma Jimenez-Perez.

PUBLIC HEARING

6. Public Hearing Regarding Update of Five-Year Plan and FY 2013 Annual Plan Update and Approval of Resolution and Approval of Submission to the Department of Housing and Urban Development (Krager)

Minute Order No. 13-18: Approved recommended action by **Resolution No. 13-05**.

MOTION: Eisenstat. SECOND: Johannessen. AYES: Aguiar-Curry, Eisenstat, Johannessen, Wienecke-Friedman. ABSENT: Davies, Thomson.

REGULAR AGENDA

7. Receive comments from Executive Director.

Janis Holt, Resource Administrator, provided comments to the Board. Next month there will be a presentation to the Commissioners on the Spring Fling. Almost 100% occupancy in the low rent public housing units. Big news is the opening of the Migrant centers this month. 100% full in both Madison and Dixon and soon full in Davis. Annual maintenance inspections coming up on May 6th and staff is preparing to make appropriate repairs. Plans and specs for the RD improvements at Davis and the Phase I road improvements in Winters are moving along. Client services went well – staff raised over 9000 eggs. Spring Fling update - eight partners came to the various cities to join YCH and to participate in the education fair this year. Poster and essay contest going on this week at the peer learning centers with the theme 'I spy via playground private eye' involving kids identifying risks and safety issues at the playgrounds. The Grow-Mandala project in West Sacramento is moving along and they will be at the Las Casitas Computer Learning Center on April 24th and the Riverbend Manor on April 25th. This is a mosaic of fresh flowers and grains to create an art project. Residence meetings taking place this week at various housing units in the County. Janis presented the new C.A.S.T. shirts, which stands for Community Action Support Team. Residents who are volunteering for the community awareness and support team are wearing these shirts so the community will know they are part of the C.A.S.T program.

8. Receive comments from Commissioners.

Commissioner Eisentat wondered what the impacts were going to be to residents of low-income housing in regards to the Woodland-Davis water project. Fred Ichtertz addressed the Board on this issue noting that meters will be installed, along with low flow faucets, toilets etc. to help reduce the amount of water needed. Staff is also involving kids to help conserve water. Commissioner Aguiar-Curry recently met with Senator Boxer's office regarding funding issues from HUD.

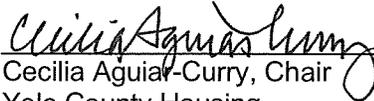
CLOSED SESSION

9. Conference with Labor Negotiator: Lisa A. Baker, Executive Director; Janis Holt, Resource Administrator; Sonia Cortés, Agency Counsel

Bargaining Units: General Unit; Management Unit

ADJOURNMENT

Next meeting scheduled for: May 20, 2013 at 1:00 p.m.


Cecilia Aguilar-Curry, Chair
Yolo County Housing


Julie Dachtler, Clerk Yolo County Housing

Yolo County Housing
Yolo County, California

To: Co. Counsel ✓
Yolo County Housing ✓

CONSENT CALENDAR

Excerpt of Minute Order No.13-20 Item No. 6, of the Yolo County Housing meeting of May 20, 2013.

MOTION: Davies. SECOND: Johannessen. AYES: Aguiar-Curry, Davies, Eisenstat, Johannessen, Wienecke-Friedman. ABSENT: Thomson.

6. Review and Approve One Year Extension on Current Auditor Contract (Baker, Gillette)

Approved recommended action on Consent.



Yolo County Housing

Lisa A. Baker, Executive Director
147 W. Main Street
WOODLAND, CA 95695

Woodland: (530) 662-5428
Sacramento: (916) 444-8982
TTY: (800) 545-1833, ext. 626

DATE: May 20, 2013
TO: YCH Housing Commission
FROM: Lisa A. Baker, Executive Director
PREPARED BY: Jim Gillette, Finance Director
SUBJECT: **ACCEPTANCE OF THE PROPOSED ONE (1) YEAR EXTENSION TO THE THREE (3) YEAR AGREEMENT TO PERFORM AUDIT SERVICES**

RECOMMENDED ACTIONS:

That the Housing Commission:

1. Authorize a one (1) year extension of the original three (3) year term for which Cohn-Reznick will provide audit services through the 2012-2013 fiscal year audit; and
2. Authorize the Executive Director to negotiate and execute an agreement with Cohn-Reznick to perform the 2012-2013 audit.

BACKGROUND / DISCUSSION

In accordance with Office of Management and Budget (OMB) protocols, professional services agreements are generally no longer than three (3) years. At the end of the three (3) year period, agencies typically re-procure services in order to determine that it is still receiving good value for those services. The current agreement for audit services was entered into with the Reznick Group in September 2010 for a period of three (3) years that concludes after the audit of YCH's 2011-2012 fiscal year, but before completion of the 2012-2013 audit.

Typically, YCH would procure a new three (3) year audit term to complete the 2012-2013 audit; however, due to the significant number of changes that the Agency is undergoing that impact the audit, staff believes it would be prudent at this time to execute a one-year carry over amendment for existing audit services and procure a new contract at the completion of the 2012-2013 audit.

Issues currently impacting Finance and the audit include: the retirement of YCH's longtime Finance Director and the hiring of a new Finance Director, budget cuts and the impact of the Sequester, as well as the ongoing work to bring the County and YCH audit timetables closer together as a result of governance changes in the Board.

Each of these issues has impacts of its own; together, they put a significant strain on staff resources. YCH would find it difficult to bring additional resource allocation to a new auditing

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firm, while trying to meet budget objectives and the loss of continuity in financial planning from YCH's outside audit firm.

Retaining Cohn-Reznick for an additional year would ensure continuity in auditing standards, assist the Finance Director in understanding YCH financial history and help ensure that YCH can meet the County timetable for deliverables. Under the extension, the auditors could begin audit planning immediately.

FISCAL IMPACT

The fees for the 2011-2012 audit work was a total of \$68,500 and we anticipate an increase in cost of no more than 10% for 2012-2013 audit work. Based on the RFP conducted in 2010, we expect this cost to be at or below what we would be able to obtain from other auditors. Staff would also begin to put together the RFP for new auditors to coincide with completion of the 2012-2013 audit.

CONCLUSION

Staff recommends that Board authorize the Executive Director to negotiate and execute a one (1) year extension agreement for audit services through the 2012-2013 fiscal year audit.

Yolo County Housing
Yolo County, California

To: Co. Counsel ✓
Yolo County Housing ✓

CONSENT CALENDAR

Excerpt of Minute Order No.13-20 Item No. 7, of the Yolo County Housing meeting of May 20, 2013.

MOTION: Davies. SECOND: Johannessen. AYES: Aguiar-Curry, Davies, Eisenstat, Johannessen, Wienecke-Friedman. ABSENT: Thomson.

7. Review and Approve One Year Extension on Current Auditor Contract (Baker, Gillette)

Approved **Resolution No. 13-06** on Consent.



Yolo County Housing

Lisa A. Baker, Executive Director
147 W. Main Street Woodland: (530) 662-5428
WOODLAND, CA 95695 Sacramento: (916) 444-8982
TTY: (800) 545-1833, ext. 626

DATE: May 20, 2013
TO: YCH Board of Commissioners
FROM: Lisa A. Baker, Executive Director
PREPARED BY: Marianne Krager, Director of Operations and Masud Chaudry, Real Estate Services Supervisor
SUBJECT: **Review and Approve and Adopt Resolution Setting Flat Rent Schedule in Conventional Rental Housing**

RECOMMENDED ACTIONS:

That the Board of Commissioners:

1. Board of Commissioners review, approve and adopt the revised flat rent schedule

BACKGROUND / DISCUSSION

As per the Code of Federal Regulations at 24 CFR, Section 960.253;

Once a year, the PHA (Public Housing Agency) must give each family the opportunity to choose between the two methods for determining the amount of tenant rent payable monthly by the family. The family may choose to pay as their tenant rent either a flat rent or an income-based rent. Income based rent is calculated as thirty (30%) percent of adjusted annual income. The flat rent is based on the market rent charged for comparable units in the private unassisted rental market. It is equal to the estimated rent for which the PHA could promptly lease the public housing unit.

The flat rent is designed to encourage self-sufficiency and to avoid creating disincentives for continued residency by families who are attempting to become economically self-sufficient. Additionally, this decreases the instance of fraud committed by residents whose rents increase as they earn more money. Another benefit of flat rent is it reduces administrative burdens that come with conducting rent adjustments when income fluctuates, especially in this current economy of layoffs and furloughs.

To determine the flat rent, the PHA must consider:

- The location, quality, size, unit type and age of the unit;
- Any amenities, housing services, maintenance and utilities provided by the PHA.

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HUD regulations specify that the comparable units used for this study must be based on unassisted (market rate) units (i.e., private, rent-restricted affordable housing complexes cannot be used in the market study).

Staff has completed the market survey of unassisted units in Yolo County (and demographic information obtained from the Yolo County census report) in accordance with HUD guidelines. Staff has determined the following:

Flat Rent Table by Bedroom Size and Year:

	0 Bdrm	1 Bdrm	2 Bdrm	3 Bdrm	4 Bdrm	5 Bdrm
Flat Rents 2011-2012	\$689	\$765	\$990	\$1,436	\$1,531	\$1,762
2013 Market Study	\$821	\$836	\$1,061	\$1,322	\$1,935	\$1,958
Increase or (decrease) based on Fair Market rent survey	\$132	\$71	\$71	\$(114)	\$404	\$196
% of increase or (decrease) based on fair market rent survey	19%	9%	7%	-8%	26%	11%
Proposed 2013 Flat Rents	\$821	\$836	\$1,061	\$1,322	\$1,935	\$1,958

In June 2006, YCH had a change of governance with the Board of Supervisors and two Tenant Commissioners acting as the Interim Board of Commissioners. During that time, it was found that YCH’s Flat Rent Schedules did not meet the full requirements of flat rent determination as set out by HUD. After completing a market study, on October 24, 2006, the YCH Board of Commissioners received the results of the market study. That study showed a very large gap between the existing flat rent schedule and the actual market. As a result, the Board approved a three part phase in of 17% per year increases until flat rents such time as the flat rent schedule met the results of the annual market study of fair market rents. The three part phase-in period of 17% increases per year ended as of 2012.

The proposed flat rent schedule is outlined in the table above. Current market rents are still higher than what YCH is charging for all bedroom sizes except 3 bedroom units. There are no zero bedroom units in our portfolio and proposed schedule increases in 0-bedroom units will not impact residents. The four bedroom size is proposed to see an increase of 26% to reach market rent levels; however, this will also not impact residents since none of the current 4 bedroom households have chosen flat rents.

In order to provide residents with sufficient notice of flat rent schedule changes, it is recommended that flat rent increases become effective July 1, 2013. Residents who choose a flat rent would see a change at the annual recertification examination (due on the anniversary month of the resident's initial move-in date). In accordance with federal requirements, at the time of annual recertification, each family has the choice of the flat rent option or an income-based rent equal to 30% of adjusted income.

FISCAL IMPACT

Currently YCH has (3) Public Housing units out of 431 that pay flat rents (less than 1%). Fiscal impact to the Agency is as yet unknown due to family rental payment choice.

CONCLUSION

Staff recommends approving by resolution the proposed Flat Rent schedule for LIPH to be effective July 1, 2013.

Attachment: Resolution

**YOLO COUNTY HOUSING
RESOLUTION NO. 13-06**

(Resolution regarding Adoption of Annual Flat Rent Schedule in Accordance with Federal Regulations)

WHEREAS, the U.S. Department of Housing and Urban Development ("HUD") requires public housing authorities to adopt a flat rent option for residents consistent with market survey results; and

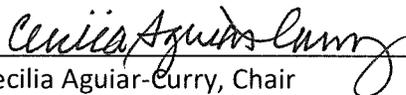
WHEREAS, public housing residents will be given the option to choose either the flat rent or income based rent amount at their annual reexamination; and

WHEREAS, the Housing Commission of the Housing Authority of the County of Yolo (informally known as Yolo County Housing) has determined new flat (market) rents as a result of its market rent study;

NOW, THEREFORE, BE IT RESOLVED, ORDERED AND FOUND by the Housing Commission of the Housing Authority of the County of Yolo that it adopt the flat rent schedules to be effective July 1, 2013 as outlined in the flat rent staff report of May 20, 2013.

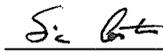
PASSED AND ADOPTED, by the Housing Commission of the Housing Authority of the County of Yolo, State of California, this 20th day of May 2013 by the following vote:

AYES: **Aguiar-Curry, Davies, Eisenstat, Johannessen, Wienecke-Friedman**
NOES: **None.**
ABSTAIN: **None.**
ABSENT: **Thomson.**



Cecilia Aguiar-Curry, Chair
Housing Commission of the
Housing Authority of the County of Yolo

Approved as to Form:

By 

Sonia Cortes, Agency Counsel

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

By 



Yolo County Housing
Yolo County, California

Meeting Date: May 20, 2013

To: County Counsel ✓
Yolo County Housing ✓

8.

Public Hearing to Review, Approve and Adopt Changes to the Housing Choice Voucher Administrative Plan and to the Public Housing Admissions and Continued Occupancy Plan on Minimum Rent and Voucher Payment Standards (Krager, Chaudry, Jimenez-Perez, Baker)

Minute Order No. 13-21: Held public hearing and approved recommended action.

MOTION: Davies. SECOND: Eisenstat. AYES: Aguiar-Curry, Davies, Eisenstat, Johannessen, Wienecke-Friedman. ABSENT: Thomson.



Yolo County Housing

Lisa A. Baker, Executive Director
147 W. Main Street Woodland: (530) 662-5428
WOODLAND, CA 95695 Sacramento: (916) 444-8982
TTY: (800) 545-1833, ext. 626

DATE: May 20, 2013
TO: YCH Board of Commissioners
FROM: Lisa A. Baker, Executive Director
PREPARED BY: Marianne Krager, Director of Operations, Irma Jimenez-Perez, Housing Assistance Supervisor and Masud Chaudry, Real Estate Services Supervisor
SUBJECT: **PUBLIC HEARING TO REVIEW, APPROVE AND ADOPT CHANGES TO THE HOUSING CHOICE VOUCHER ADMINISTRATIVE PLAN AND TO THE PUBLIC HOUSING ADMISSIONS AND CONTINUED OCCUPANCY PLAN ON MINIMUM RENT AND VOUCHER PAYMENT STANDARDS**

RECOMMENDED ACTIONS:

That the Housing Commission, after holding the public hearing, taking public comment and after any changes:

1. Review, approve and adopt the implementation of a \$25.00 Minimum Rent for the Housing Choice Voucher Program and for the Low Income Public Housing Program;
2. Review, approve and adopt the proposed Payment Standard Reduction; and
3. Authorize the Executive Director to implement

BACKGROUND / DISCUSSION

As per the Code of Federal Regulations at 24 CFR Parts 5; and PIH Notice 2011-28 (HA);

Every year the United States Department of Housing and Urban Development (hereinafter referred to as HUD) receives annual appropriations from Congress. HUD implements the Appropriations Act and obligates funds to PHA's in accordance with the formula required by the Appropriations Act. PHA's must manage and monitor their programs within the amounts allocated for the calendar year (CY) to ensure that costs remain within appropriated amounts (including unspent funds from prior years).

Recent budget cuts and the imposition of sequestration have cut Housing Authority budgets to record lows. As a result, HUD has provided guidance to PHA's on steps that they may take to implement "Cost-Saving Measures". While these measures fall far short of the need for regulatory reform and do not provide necessary additional revenue, nevertheless, these measures can help address financial shortfalls by modifying costs in the Housing Choice Voucher (HCV) and Low Income Public Housing (LIPH) programs. As a result, YCH is proposing to implement the following measures in the HCV and LIPH programs.

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- Implementation of \$25.00 Minimum Rent to both the HCV and LIPH Programs
- Payment Standard Reduction

Admissions and Continued Occupancy Plan & Administrative Plan - Minimum Rent [24 CFR 5.630]

In calculating families rent, Housing Authorities may use the highest of the following options;

- 30% of the family's monthly adjusted income;
- 10% of the family's monthly income;
- Welfare rent (in States where applicable); or
- Minimum Rent (\$0 - \$50 set by the PHA)

PHA Policy both (current)

- The minimum rent for this PHA is **\$0**. The minimum rent refers to a minimum total tenant payment and not a minimum tenant rent.

(Proposed Policy Amendment)

- The minimum rent for this locality is \$25.00.

Yolo County Housing (YCH) is proposing to implement a \$25.00 minimum rent, for both programs, rather than the maximum \$50.00 to lessen any potential financial impacts to families with legitimate lack of income. Staff estimates savings of approximately \$300.00 per month for the HCV program, while total savings for the Low Income Public Housing program are as yet unknown.

The PIH notice referenced above indicates that PHA's can institute a policy for increases in family contribution to be effective immediately, rather than at the next annual re-examination. Based on this Yolo County Housing is proposing to implement the minimum rent effective July 1, 2013.

For families for whom this would be an undue hardship, YCH would adhere to the federal requirement to review hardship requests on a case by case basis in accordance with its policy.

PAYMENT STANDARDS

YCH's Payment Standards are currently set at 90 -100% of FMR for the county and all cities except Davis and at 100 - 110% of FMR for the City of Davis, depending on bedroom size. At this time, due to sequestration and the continuation of 2011-2012 funding, YCH does not have sufficient funds to support all the households in its portfolio.

YCH has undertaken a series of remedies to manage costs – these include no port out to high cost areas, no moves to higher cost units within the jurisdiction, recall all vouchers that were issued and return families to the wait list, as well as not fill vacancies when vouchers turn over (62 vacancies to date). Despite these moves, which have been in place since beginning in September 2012, payments continue to exceed revenues and staff estimate that reserves will be exhausted by September 2013.

In order to continue to be fiscally prudent, staff recommends that the Payment Standard be lowered to 90% of FMR across the board. Staff has made the request for immediate implementation of the

lowered Payment Standard to HUD, but HUD has set aside the request, believing that YCH may be eligible for funds from its shortfall fund. In the meantime, adoption of the new Payment Standard would affect all new leases from those who move within the jurisdiction, as well as those who port in. YCH existing Voucher households would be affected at second reexamination if the situation continues and YCH is not ultimately granted immediate implementation.

The draft Payment Standards were published for a 30 day comment period, a Resident Advisory Committee meeting was held for comments and a public notice of this hearing was published on April 18, 2013. The comment period ended on May 18, 2013. YCH received no public comments; YCH did receive comments from the Resident Advisory Committee in support of minimum rent and understanding the need to reduce costs to keep as many households assisted as possible.

The following tables show the current payment standards, current FMR and proposed Payment Standards:

County of Yolo, including Winters, Woodland, West Sacramento Current Payment Standards

Bdrm size	0-bdrm	1-bdrm	2-bdrm	3-bdrm	4-bdrm	5-bdrm	6-bdrm
Current PS	704	801	1028	1514	1674	1926	2177

City of Davis Current Payment Standards

Bdrm size	0-bdrm	1-bdrm	2-bdrm	3-bdrm	4-bdrm	5-bdrm	6-bdrm
Current PS	815	881	1190	1674	1860	2139	2418

Yolo, CA HUD Metro FMR Area by Unit Bedrooms effective 10/1/2012

Bdrm Size	0	1	2	3	4	5	6
FMR	\$741	\$801	\$1082	\$1594	\$1860	\$2139	\$2418

Proposed Payment Standards All Areas of County of Yolo

Bdrm size	0-bdrm	1-bdrm	2-bdrm	3-bdrm	4-bdrm	5-bdrm	6-bdrm
Proposed PS	667	721	974	1435	1674	1926	2177

YCH is required to perform a rent reasonable test to ensure HCV participants are not charged a higher rent than other tenants who are not participating in the HCV program. YCH engages in negotiation of the rent amount with the landlords, requesting it be lowered to a reasonable amount when the rent is determined too high.

FISCAL IMPACT

Failure to implement cost-cutting measures may result in termination of families in our Housing Choice Voucher Program and loss of services to our Low Income Public Housing Residents. YCH has an Annual Contribution Contract with HUD to lease up to 1,727 vouchers; currently 1,573 families are receiving assistance; however with funding under sequestration this only supports assistance for approximately 1,405. The HAP will be lower for all unit sizes.

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CONCLUSION

Staff recommends approving the proposed Minimum Rent implementation for both the LIPH and HCV programs and the Payment Standard Reduction to be effective July 1, 2013.