



# Solano County

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## Legislation Text

File #: 20-743, Version: 1

Approve the revised Solano County Housing Authority Administrative Plan for submittal to the U.S. Department of Housing and Urban Development

Published Notice Required? Yes ☐ No ☒  
Public Hearing Required? Yes ☐ No ☒

### **DEPARTMENTAL RECOMMENDATION:**

The Department of Resource Management recommends that the Solano County Housing Authority (SCHA) approve the revised SCHA Administrative Plan for submittal to the U.S. Department of Housing and Urban Development (HUD).

### **SUMMARY:**

The SCHA implements HUD's Housing Choice Voucher (HCV) Program, also known as Section 8 housing, within the City of Dixon, City of Rio Vista, and the unincorporated areas of Solano County that provides rent subsidies on behalf of very low-income households (annual income below \$46,250 for a household of four) so they can live in decent, safe and affordable housing. Implementation of the HCV Program by SCHA contributes an annual investment of approximately \$2,050,000 into the local economy through rental subsidies on behalf of approximately 290 households.

HUD issues HCV Program regulations that housing authorities must follow, but also allows housing authorities to establish local policies through their Administrative Plan. The SCHA periodically updates the Administrative Plan as regulations and other circumstances change, as new programs are added or, when clarification of existing policy is needed. For example, SCHA previously modified its subsidy standard policy in the Administrative Plan based upon reductions in the amount of HCV reimbursement provided by HUD due to sequestration in 2013.

HUD has now increased funding for the HCV program as administered by SCHA, allowing for an increase in subsidies to participants. This increased funding is anticipated to continue. The SCHA Board is requested to approve updates to Chapter 5 of the SCHA Administrative Plan, included as Attachment A, which updates and increases the subsidy that the HCV Program provides. If approved, the subsidy changes will be effective January 1, 2021 and will be implemented with each family's income recertification. It is anticipated these changes will reduce the number of households paying over 30% of their income in rent from 40% currently down to 25% after the increased subsidy is implemented. Also, if approved, the amended Administrative Plan, Chapter 5 will be sent to HUD as required.

### **FINANCIAL IMPACT:**

The costs associated with preparing the agenda item are nominal and absorbed by the department's FY2020/21 Adopted Budget. The Housing Authority program is financed through HUD.

### **DISCUSSION:**

Subsidy standards for the HCV Program are established at the local level and determine the number of

bedrooms for households of different sizes and compositions. The number of bedrooms for which a family is eligible is used to calculate the amount of rent subsidy that will be provided.

In 2013, the SCHA modified the subsidy standard policy in the Administrative Plan to address the impact of a 6% reduction (due to sequestration) in program renewal funding by HUD. The change to the subsidy standard reduced the rent subsidy paid for each family. This meant that the family's portion of the rent ("rent burden") went up and the SCHA portion of the rent went down.

Since that time, renewal funding continued to remain flat and the SCHA has been unable to change the subsidy standards to reduce the rent burden on participating families. Instead, families rent burden continued to increase as the rents charged by owners increased with approximately 40% of families paying more than 30% of their income for rent.

Voucher renewal funding has now increased to allow the SCHA to pay more subsidy per family. The recommended changes are projected to decrease the rent burden for approximately 15% of participants and those paying more than 30% of their income for rent will decrease to only 25% of participants. To implement this change, the SCHA must modify the Administrative Plan policy related to subsidy standards.

Public Noticing Requirement: Public notice is not required.

#### **ALTERNATIVES:**

The Housing Authority may choose not to take action to update the Administrative Plan. This action is not recommended because the proposed revisions increase the rental subsidy to each family in the voucher program, providing a benefit to tenants in need of assistance.

#### **OTHER AGENCY INVOLVEMENT:**

The Vacaville Housing Authority, on behalf of Solano County, prepared the updated Administrative Plan. If approved by the SCHA, the updated Administrative Plan will be submitted to HUD. The County Administrator and County Counsel have reviewed this item and concur with the recommended action.

#### **CAO RECOMMENDATION:**

**APPROVE DEPARTMENTAL RECOMMENDATION**