

**Board of County Commissioners**  
**Agenda Request**

Date of Meeting: January 20, 2009

Date Submitted: January 5, 2009

To: Honorable Chairman and Members of the Board

From: Benjamin H. Pingree, County Administrator  
Lindsay Stevens, Assistant County Administrator  
Alfred Nelson, Housing Director  
Jackie Flowers, Section 8 Coordinator

Subject: Request for Board Consideration and Approval of a Resolution  
Establishing the 2009 Payment Standards for the Wakulla County  
Section 8 Housing Choice Voucher Rental Assistance Program

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**Statement of Issue:**

This agenda item requests Board consideration and approval of a Resolution establishing the 2009 Payment Standards for the Wakulla County Section 8 Housing Choice Voucher Rental Assistance Program at 90% of U.S. Department of Housing and Urban Development (HUD) Fair Market Rents (FMRs).

**Background:**

The housing choice voucher program is the federal government's major program for assisting very low-income families, the elderly, and the disabled to afford decent, safe, and sanitary housing in the private market. Since housing assistance is provided on behalf of the family or individual, participants are able to find their own housing, including single-family homes, townhouses and apartments.

Housing choice vouchers are administered locally by Public Housing Agencies (PHAs). The PHAs receive federal funds from the U.S. Department of Housing and Urban Development to administer the Section 8 Program. The Wakulla County Section 8 Choice Voucher Program provides decent, safe and sanitary affordable rental housing for very low-income families, by assisting the family with a portion of the rent. A family pays approximately 30% of their monthly income for rent and the PHA pays the remainder of the rent directly to the owner. Participants in the Wakulla County Housing Assistance Program, who are families, seniors or disabled individuals who are considered very low-income, are eligible for the Section 8 Program.

A family that is issued a housing voucher is responsible for finding a suitable housing unit of the family's choice where the owner agrees to rent under the program. This unit may include the family's present residence. Rental units must meet minimum standards of health and safety, as determined by the PHA. A housing subsidy is paid to the landlord directly by the PHA on behalf of the participating family. The family then pays

the difference between the actual rent charged by the landlord and the amount subsidized by the program.

Eligibility for a housing voucher is determined by the PHA based on the total annual gross income and family size and is limited to US citizens and specified categories of non-citizens who have eligible immigration status. In general, the family's income may not exceed 50 percent of the median income for the county or metropolitan area in which the family chooses to live. By law, a PHA must provide 75 percent of its voucher to applicants whose incomes do not exceed 30 percent of the area median income. Median income levels are published by HUD and vary by location.

Wakulla County Median Income Limits for FY 2009 for the area based on FY 2009 Fair Market Rent (FMR) is \$51,000.00.

**Wakulla County Median Income Limits for FY 2008**

<b>Extremely Low (30%) Income Limits</b>					
1	2	3	4	5	6
<u>Person</u>	<u>Person</u>	<u>Person</u>	<u>Person</u>	<u>Person</u>	<u>Person</u>
\$10,800	\$12,350	\$13,900	\$15,450	\$16,700	\$17,900
<b>Very Low (50%) Income Limits</b>					
1	2	3	4	5	6
<u>Person</u>	<u>Person</u>	<u>Person</u>	<u>Person</u>	<u>Person</u>	<u>Person</u>
\$18,050	\$20,600	\$23,200	\$25,750	\$27,800	\$29,850
<b>Low (80%) Income Limits</b>					
1	2	3	4	5	6
<u>Person</u>	<u>Person</u>	<u>Person</u>	<u>Person</u>	<u>Person</u>	<u>Person</u>
\$28,850	\$32,950	\$37,100	\$41,200	\$44,500	\$47,800

Since the demand for housing assistance often exceeds the limited resources available to HUD and the local housing agencies, long waiting periods are common. In fact, a PHA may close its waiting list when it has more families on the list than can be assisted in the near future. Wakulla County PHA currently has 180 families on the housing waiting list.

PHAs may establish local preferences for selecting applicants from its waiting list. For example, PHAs may give a preference to a family who is (1) homeless or living in substandard housing, (2) paying more than 50% of its income for rent, or (3) involuntarily displaced. Families who qualify for any such local preferences move ahead of other families on the list who does not qualify for any preference. Each PHA has the discretion to establish local preferences to reflect the housing needs and priorities of its particular community.

The role of the landlord in the voucher program is to provide decent, safe, and sanitary housing to a tenant at a reasonable rent. The dwelling unit must pass the program's housing quality standards and be maintained up to those standards as long as the owner receives housing assistance payments. In addition, the landlord is expected to provide the services agreed to as part of the lease signed with the tenant and the contract signed with the PHA.

The PHA administers the voucher program locally. The PHA provides a family with the housing assistance that enables the family to seek out suitable housing and the PHA enters into a contract with the landlord to provide housing assistance payments on behalf of the family. If the landlord fails to meet the owner's obligations under the lease, the PHA has the right to terminate assistance payments. The PHA must reexamine the family's income and composition at least annually and must inspect each unit at least annually to ensure that it meets minimum housing quality standards.

To cover the cost of the program, HUD provides funds to allow PHAs to make Housing Assistance Payments (HAP) on behalf of the families. The Calendar Year (CY) 2008 HUD Renewal Funding Allocation Contract for the Wakulla PHA was \$828,485.00. HUD also pays the PHA a fee for the costs of administering the program. HUD awarded the Wakulla PHA approximately \$82,764.00 in administrative fees for CY 2008. When additional funds become available to assist new families, HUD invites PHAs to submit applications for funds for additional housing vouchers. Applications are then reviewed and funds awarded to the selected PHAs on a competitive basis. HUD monitors PHA administration of the program to ensure program rules are properly followed.

**Analysis:**

The Department of Housing and Urban Development (HUD) sets and publishes new Fair Market Rents (FMR) and Payment Standards that apply to the Housing Choice Voucher (HCV) Program. Payment Standards are set between 90 – 110% based on median income. The Wakulla County payment standards are currently set at 90%.

Fair Market Rents (FMRs) are primarily used to determine payment standard amounts for the Housing Choice Voucher program, to determine initial renewal rents for some expiring project-based Section 8 contracts, to determine initial rents for housing assistance payment contracts in the Moderate Rehabilitation Single Room Occupancy program (Mod Rehab), and to serve as a rent ceiling in the HOME rental assistance program. The U.S. Department of Housing and Urban Development annually estimates FMRs for 530 metropolitan areas and 2,045 non-metropolitan county FMR areas. By law the final FMRs for use in any fiscal year must be published and available for use at the start of that fiscal year, on October 1.

The amount of subsidy is based on the funding approved for the Housing Choice Voucher (HCV) Program from HUD and the adopted Payment Standard that establishes the maximum rent subsidies permitted under the program. Payment Standards are between

90% and 110% of the Fair Market Rents (FMRs) published by the U.S. Department of Housing and Urban Development (HUD). On October 1, 2008, HUD published revised FMRs, therefore the Wakulla Housing Authority is proposing no change to the current Payment Standards for Section 8 Program. The current Payment Standards were previously adopted. The following compares the current Payment Standard in effect since December 1, 2007, the new HUD published FMR rates as revised on October 1, 2008, and the proposed new Payment Standards for 2009.

**Wakulla Housing Authority Payment Standards for 2008 and 2009**

Current Payment Standards 90% of the Median Income				
Payment Standards for the Housing Authority of the County of Wakulla County				
<u>0-bedroom</u>	<u>1-bedroom</u>	<u>2-bedroom</u>	<u>3-bedroom</u>	<u>4-bedroom</u>
\$575	\$625	\$695	\$914	\$942
2009 Payment Standards 90% of the Median Income				
Payment Standards for the Housing Authority of the County of Wakulla County Effective February 1, 2009				
<u>0-bedroom</u>	<u>1-bedroom</u>	<u>2-bedroom</u>	<u>3-bedroom</u>	<u>4-bedroom</u>
\$610	\$663	\$737	\$969	\$999

Wakulla County currently has 131 participants in the Section 8 Housing Choice Voucher Rental Assistance Program and 119 available vouchers of the 250 vouchers awarded to the PHA by HUD. It is anticipated that the payment standards, which will take effect February 1, 2009, will result in an average cost savings to the Section 8 participants of approximately \$47.23 per month per family.

**Options:**

1. Approve the Resolution to Establish the 2009 Payment Standards for the Wakulla County Section 8 Housing Choice Voucher Rental Assistance Program.
2. Do not approve the Resolution Establishing the 2009 Payment Standards for the Wakulla County Section 8 Housing Choice Voucher Rental Assistance Program.
3. Board direction.

**Recommendation:**

Option #1

**Attachments:**

1. Resolution 2009 Payment Standards
2. FY 2009 Fair Market Rent
3. CY 2008 HAP and Administrative Fee
4. CY 2008 HUD HAP Renewal Contract