



# Who Do We House and How Do We House Them?

October 2019



Housing Authority of the  
County of Alameda

# How Do We House Them?



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## Alameda County Housing Authority

- Created in 1968
- Serve Alameda County except for Oakland, Alameda, Berkeley and Livermore, which have their own housing authorities
- Housing authorities are public entities created under state law
- Governed by 12-member board— one from each of the 9 cities, one representing the unincorporated area and two housing authority tenants appointed by the board of supervisors
- Primary funding from U.S. Department of Housing and Urban Development (HUD)



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## Section 8 Housing Choice Voucher Program

- National Housing Act of 1934 creates FHA home mortgage insurance program. First federal involvement in housing.
- US Housing Act of 1937 establishes public housing program. HUD defrays construction costs with projects owned and operated by local housing authorities. During WWII, this program was used to build housing for defense workers.
- The 1937 Act significantly amended many times. In 1965 it added Section 23, where housing authorities rented apartments/homes from private landlords and subleased them to low-income tenants.
- In 1974 the Act was amended to phase out Section 23 and add Section 8, where low-income tenants rent directly from private landlords. Officially called Housing Choice Voucher program.



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## Section 8 Housing Choice Voucher Program

Section 8 regulations have evolved since 1974. Currently:

- Tenant income cannot exceed 50% Area Median Income (called 'very low income'). \$55,800 for family of three in Alameda County.
- But 75% of a housing authority's Section 8 participants must have an income that doesn't exceed 30% of the Area Median Income (called 'extremely low income'). \$33,450 for a family of three in Alameda County.
- A family pays 30% of its adjusted gross income for rent. This is the national standard for affordability.
  - 30% of \$33,450 is \$836.25 on a monthly basis.
- The housing authority pays the landlord the difference between the tenant rent share and the rent on the housing unit, up to a limit called the payment standard.



## Section 8 HCVP in California — Three Components

### 1. Section 8 Voucher

- Section 8 Housing Choice Voucher Program laws & regulations apply

### 2. Housing Assistance Payments (HAP) Contract

- Section 8 Housing Choice Voucher Program laws & regulations apply

### 3. The Lease

- **California** – Unsubsidized Rental Market Practices, Laws, & Contracts apply



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## Parties to:

### 1. Section 8 Voucher

- Family
- HACA

### 2. Section 8 HAP Contract

- Landlord
- HACA

### 3. Lease

- Family
- Landlord
- NOT HACA



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## 1. The Voucher — between the Section 8 Family & HACA

1. Executed by **HACA with an eligible Family.**
2. States HACA's and the Family's HCVP rights and responsibilities.
3. Requires the Family to comply with stated terms to continue to receive assistance.



## 2. The HAP Contract (HAPC) — between the Landlord and HACA

1. Executed by **HACA with a Landlord** to provide assistance on behalf of a Section 8 Family.
2. Authorizes HACA's payment of the monthly Housing Assistance Payment to the Landlord on the Section 8 Family's behalf.
3. Requires the Landlord to comply with stated terms to continue to have HACA make payments on the Family's behalf.



## 3. The Lease

1. Executed by the **Landlord and the Family** to state the rights and responsibilities of each regarding the leased residence.
2. Governed by:
  - **CA** Civil Code
  - **CA** Code of Civil Procedure
  - **Local** Codes and Ordinances
3. The Section 8 family pays its share of the rent directly to the landlord, not HACA.



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## HACA's Responsibility vs. Landlord's Responsibility

HACA	Landlord
Screens family for Section 8 program eligibility	Screens family for suitability as tenant
Inspects unit at beginning of tenancy and biannually while assisted	Inspects unit during and at the end of tenancy as allowed by law
Pays HAP	Collects family rent portion
Enforces <b>Section 8 program</b> requirements	Enforces <b>Lease</b> requirements
Terminates program assistance	Terminates tenancy/evicts family

## How the Program Works

- Wait list applicants are determined eligible and given a voucher to search for housing on the open market. We check for income eligibility, immigration status, and sex offender registry.
- Owner lists their vacancy
- Tenant selects unit

## How the Program Works

- If the owner chooses the tenant, both complete a Request for Tenancy Approval (RFTA) and submit to HACA
  - Owner determines tenant suitability based on their established criteria.
    - HACA can provide prospective landlords with the family's current and prior address and the name and address of the owner at the family's current and prior addresses as shown in HACA records if available
  - Voucher holders cannot be measured using stricter standards than an open market tenant
  - Income calculation should be based on tenant portion. If the tenant's rent portion will be \$300 and HACA's portion will be \$1,600, you measure the tenant's income against the \$300 rent (e.g. Income must be 3X the rent... $\$300 \times 3 = \$900$ . Tenant's income needs to be \$900 or more per month to meet the standard.)

## How the Program Works

- HACA reviews the RFTA, determines if the rent requested is reasonable as compared to similar units on the open market, and schedules an inspection of the unit to ensure it is decent, safe and sanitary (not code enforcement but HUD standards)
- Once the RFTA is approved, the unit passes inspection, the tenant and landlord sign the lease, and the landlord submits a W-9 to HACA, the tenant moves in
  - Process from start to finish generally takes less than two weeks

## How the Program Works

- HACA and the landlord execute the Housing Assistance Payment Contract (HAPC)
- HACA begins making subsidy payments to the landlord.
  - First payment upon HAPC execution and then by the first of each month thereafter
- Note that dates are important. If the tenant moves in before the unit passes inspection and the unit is approved by HACA, the tenant is responsible for the entire rent portion until the effective date of the HAPC.

## How the Program Works

- The tenant pays about 30% of their income in rent directly to the landlord
- The landlord enforces the lease provisions. HACA is not a party to the lease.
- Rent increases require a 60-day notice to the tenant with a copy to HACA. HACA will determine if the rent is reasonable compared to similar units on the open market and notify both the tenant and landlord of changes in the tenant's rent share or assistance payment.

## How are Rent Portions Determined

### Fremont Payment Standards

Studio	1 BR	2 BR	3 BR	4 BR
\$1,580	\$1,899	\$2,385	\$3,282	\$3,719

Tenant pays 30% of their monthly adjusted household income including tenant-paid utilities

Tenant Monthly Adjusted Income	\$1,000
Minimum Total Tenant Payment at 30% of \$500	\$300
Maximum Total Tenant Payment at 40% of \$500	\$400

HACA can pay a maximum of HACA's payment standard minus the minimum total tenant payment

HACA 1-Bedroom Payment Standard	\$1,899
Minimum Total Tenant Payment	\$300
Maximum HACA Rent Subsidy	\$1,599

However, the maximum rent subsidy isn't necessarily the actual rent subsidy. This will be based on the cost of the unit. HACA's subsidy would be less if the unit costs less and the tenant's portion would be more if the unit costs more (but can't go over 40% at move-in)

Example 1	
Actual Cost of Unit Selected	\$1750
Minimum Total Tenant Payment	\$300
Actual HACA Rent Subsidy	\$1,450

Example 2	
Actual Cost of Unit Selected	\$1,950
Minimum Total Tenant Payment	\$300
Actual HACA Rent Subsidy	\$1,599
Difference	\$51
Actual Tenant Portion	\$351



## Benefits of a Landlord's Participation in the Section 8 Program

1. HAP is paid on the first of every month, which allows the Landlord to forecast cash flow
2. Landlords are guaranteed a pool of prospective tenants during a soft rental market
3. HACA keeps a rental listing of available units for Landlords to use to advertise a vacancy (free)
4. Protection from tenant's financial hardships
5. HACA supports the Landlord during evictions by continuing to pay HAP until the eviction is completed
6. HACA offers direct deposit or HACA rent payments



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# Who Do We House?

## Fremont Households

- HACA serves 6,543 households through the HCV program
  - Fremont comprises **16.6%** or 1,083 of these families
- \*Fremont has 76,550 households in the city
  - **1.4%** or 1,083 families in the City of Fremont are on the HCV program
- Annually HACA spends over \$15M on rent subsidies
  - HACA spends about **\$22.9M**, or 17.7%, of these funds in the City of Fremont annually

\*2013-2017 ACS 5-Yr Estimates Table

## Fremont Households

- 563, or **52%**, of the 1,083 HCV households in Fremont are headed by persons who are elderly, persons with disabilities or both.
- 343, or **32%**, are households with children
- 489, or **45%** include at least one household member with earned income



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## Family Self Sufficiency Program

- 5-year contract with Housing Authority
- Educational and work-related goals
- Increase in tenant rent share due to increased income not charged; placed in escrow account
- Graduation means not on public subsidy plus completion of contract goals
- Payment of escrow amount



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## Family Self Sufficiency (FSS) Program Outcomes

Program Outcomes	2016 (169 Participants)	2017 (199 Participants)	2018 (215 Participants)
Graduated from Program	14	14	11
Escrow Disbursed	\$137,039	\$205,650	\$276,066
Secured Promotion/New Job	39	15	16
Increased Income	31	No Data	No Data
Obtained a Master's Degree	1	5	2
Obtained a Bachelor's Degree	4	3	3
Obtained an AA Degree	3	0	1
Obtained a GED/HS Diploma	7	3	0
Received Employment Counseling	31	No Data	No Data
Purchased a Home	2	3	1



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## HUD-VASH Program

- Partnership between the VA and HUD
- Purpose: to house homeless veterans
- VA enrolls vet in its system and provides ongoing counseling and case management
- VA refers vet to Housing Authority
- Housing Authority issues Section 8 voucher and provides ongoing voucher administration
- HACA has 325 VASH vouchers



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## Shelter + Care Program

- Purpose: to house homeless persons with disabilities
- Tenants receive ongoing supportive services to ensure successful tenancy
- Program offers security deposit assistance, damage claims, and vacancy payments

## Mainstream Program

- Purpose: to house persons with disabilities who are also one of the following: homeless, at risk of becoming homeless, exiting an institution, or at risk of entering an institution
- Tenants receive ongoing supportive services to ensure a successful tenancy
- Housing Authority issues Section 8 voucher and provides ongoing voucher administration
- HACA has 83 Mainstream vouchers and has applied for more

## Foster Youth Independence (FYI) Initiative

- Purpose: to house persons aged 18-24 years, left foster care or will leave foster care within 90 days at the age of 16 or older, and are homeless or at risk of becoming homeless
- Tenants receive ongoing supportive services to ensure a successful tenancy
- Housing Authority issues Section 8 voucher and provides ongoing voucher administration
- HACA can apply for up to 25 FYI vouchers, depending on HUD funding availability

# Questions

- If a tenant has a 2 BR voucher, can they rent half of a 4 BR house?
- Other questions?



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