

# OWNER PROGRAM CHANGES

## FREQUENTLY ASKED QUESTIONS (FAQS)

### HOW IS THE PROGRAM CHANGING AND HOW WILL IT AFFECT MY TENANTS?

Recently, the Department of Housing and Urban Development (HUD) applied major funding cuts to the Housing Choice Voucher/Section 8 program. (For more information on sequestration and how it is affecting SCCHA and its housing programs, see the Agency’s website at [www.scchousingauthority.org](http://www.scchousingauthority.org). In response to these cuts, the Santa Clara County Housing Authority (SCCHA) has made several changes which allow it to continue to offer housing assistance to the same number of families in Santa Clara County. Our objective was to provide current participants with some assistance, rather than terminate almost 1,000 families from the program. The most notable policy and program changes are an increased tenant contribution towards the rent, which will result in lower payments from the Housing Authority, a streamlined voucher size policy, and a one year rent increase freeze. These changes will apply to all of our Moving to Work voucher programs.

### WHEN ARE THESE CHANGES EFFECTIVE?

The Increased Tenant Contribution will be effective 9/1/2013. The new voucher size will be effective on 9/1/13 or the date a family moves into a new Section 8 assisted unit, whichever comes first. The freeze on contract rent increases will take effect on any rent increase requests received 6/24/2013 or after.

### HOW MUCH IS THE INCREASED TENANT CONTRIBUTION?

Effective September 1, 2013, tenants in the Section 8 program will now have their Total Tenant Payment (TTP) set at 35% of their gross monthly income or \$50, whichever is higher. SCCHA also will discontinue deducting allowances for dependents, utilities and out-of-pocket medical or childcare expenses. The increased tenant portion means the Housing Assistance Payment (HAP) from the Housing Authority will decrease proportionately. SCCHA will continue to pay the contract rent of the unit or the applicable payment standard (whichever is lower) minus the TTP.

**Example:** Donna is a single parent with three children with a gross annual income of \$8,325. She has a three bedroom voucher and rents a house with a contract rent of \$2,200/month. Her current allowances are \$1,440 annually (which is deducted from her gross annual income) and her utility allowance is \$163. The current payment standard for a three bedroom voucher is \$2,274 (see Current SCCHA Payment Standards chart below).

Traditional Rent Calculation Method	
Total Tenant Payment (30% of Adjusted Monthly Income)	\$172
Lower of the Payment Standard or Gross Rent	\$2,274
Minus Total Tenant Payment	(\$172)
HAP to Owner	\$2,102
Household’s Rent to the Owner	\$98

New Rent Calculation Method	
Total Tenant Payment (35% of Gross Monthly Income)	\$243
Lower of the Payment Standard or Contract Rent	\$2,200
Minus Total Tenant Payment	(\$243)
HAP to Owner	\$1,957
Household’s Rent to the Owner	\$243

### WHAT IS VOUCHER SIZE?

Voucher size is the number of bedrooms that a family qualifies for (also known as the family unit size or the subsidy size). The family voucher size does not dictate how large a unit the household can rent or who within a household will share a bedroom/sleeping room.

Current HACSC Payment Standards (as of 1/1/2017)					
1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	5 Bedroom	6 Bedroom
\$1,315	\$1,581	\$2,274	\$2,503	\$2,878	\$3,253

### **WHAT IS THE HOUSING AUTHORITY'S (SCCHA'S) NEW VOUCHER SIZE POLICY?**

Under SCCHA's new policy, voucher size is determined within the following guidelines:

- The head of household (with spouse, co-head, Registered Domestic Partner or boyfriend/girlfriend, if any) will be assigned one bedroom.
- One additional bedroom is assigned to every two persons in the household (regardless of age or gender).
- A live-in aide (as an approved reasonable accommodation) will be provided a separate bedroom from other household members. The family of a live-in aide will not be provided any additional bedrooms.

If your tenant is within a current lease term, they will not receive their new voucher size until the lease term expires.

### **WHAT IS THE NEW POLICY ON RENT INCREASES?**

The Board of Commissioners (BOC) authorized staff to implement a contract rent freeze for all owner requested rent increases. For up to one year, SCCHA will impose a moratorium on increasing rents in order to realize additional cost savings. The BOC approved a rent increase freeze that will begin on June 24, 2013. Any owner requests for a contract rent increase received June 24, 2013 to June 23, 2014 will be denied.

### **HOW CAN I REQUEST A HARDSHIP EXEMPTION FOR MY NEW RENT PORTION?**

If your tenant has a rent portion increase of \$50 or more and is elderly or disabled with out-of-pocket medical expenses or has children under the age of thirteen with out-of-pocket childcare expenses, they may request for a one-time hardship exemption. If they are eligible for the hardship, SCCHA will calculate the rent after deducting eligible expenses from the households' gross annual income for a period of 90 days.

### **WHAT ASSISTANCE OR RESOURCES ARE AVAILABLE TO ENSURE TENANTS' STABILITY?**

SCCHA will send a letter to all program participants explaining the new changes. The letter will also have a list of resources and support services to assist families during this difficult transition. Impacted participants are encouraged to reach out to partner organizations that are prepared to offer an array of services including assistance locating food, financial support, and rent or utility assistance. SCCHA will also implement a one-time hardship exemption policy for those participants that qualify.

### **HOW CAN OWNERS/AGENTS HELP?**

If you are concerned about the 2013 sequester's impact on SCCHA's Section 8 program, please do not call HUD which contracts with SCCHA for the operation of the Section 8 program. Unfortunately, this issue is outside of HUD's control, just as it is outside of SCCHA's control. Any fixes must be decided by Congress and signed by the President. If you have questions, or would like Congress to understand how this issue affects you, we urge you to contact California's congressional delegation.

We understand that these changes will be challenging for both owners and tenants. Tenants may have to pay a higher rent portion due not only to the 35% increased tenant contribution but also because of a decrease in their voucher size. For some tenants, these changes can increase their rent portion by several hundred dollars. Adjusting to and budgeting for this new higher rent may take some time. During this transition period, SCCHA requests that owners consider working with their tenants to ensure that they can continue to meet their rent obligations. Some suggested ways owners can provide assistance to tenants are:

- 1) Work out a payment plan with the tenant that allows them to pay the monthly rent in installments.
- 2) Discuss other payment arrangements that will minimize the financial burden of the new policies.
- 3) Consider requiring a reduced security deposit or even a rent decrease.
- 4) Communicate with the tenants as they adjust to the new program changes.

Your participation in the Section 8 program is an important community asset. We sincerely thank you for your participation and hope that you will be able to continue making your rental unit available to program participants.