



NEWS

For Immediate Release

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SANTA CLARA COUNTY HOUSING AUTHORITY RAISES VOUCHER PAYMENT STANDARD TO 110 PERCENT OF HUD-ISSUED FAIR MARKET RENTS

Proposed Reduction to Family Subsidy Size Postponed

SAN JOSE, Calif. — August 26, 2015 — In an effort to begin closing the widening gap between federal housing assistance and skyrocketing rents in Silicon Valley, the Housing Authority of the County of Santa Clara (HACSC) is raising the maximum monthly rental housing assistance for Housing Choice Voucher (Section 8) program participants to 110 percent of the Department of Housing and Urban Development's (HUD) fair market rents. This move will bring rent relief for approximately 5,670 families with Section 8 vouchers and cost HACSC approximately \$20 million annually in increased housing assistance payments once it is fully implemented.

After hearing two hours of public testimony at its August 25 meeting, HACSC's board of commissioners postponed consideration of another proposal to change the number of subsidized bedrooms to one bedroom for every two persons in the household (excluding live-in aides with bedrooms separate from the family and foster children/adults) pending further, focused outreach on how the change might be made without impacting current tenants. According to the staff memo, this policy revision would bring the agency's family subsidy size in line with other housing agencies in California experiencing similar demands on housing resources (including the San Francisco Housing Authority and San Diego Housing Commission) and once fully implemented provide HACSC with an additional \$7 million annually to serve an additional 470 households.

"We are painfully aware of the huge gap between the maximum federal rental assistance HACSC can provide to low-income families and Silicon Valley's skyrocketing rents, which continue to be among the nation's most expensive," says Kathy Espinoza-Howard, HACSC board of commissioners chairwoman. "With more than 1,000 families with vouchers in hand currently searching for housing and scores more working families trying desperately to avoid homelessness, the need is overwhelming. Raising our voucher payment standard to the maximum allowed by law will bring some rent relief to low-income families."

The increase in HACSC's maximum rental housing assistance (HACSC's voucher payment standard) to 110 percent of HUD-issued fair market rents is effective September 1 for new voucher holders and current program participants who are planning to move, and will be effective at the next rent certification for all other Section 8 program participants. It is expected to take up to three years to implement the increased voucher payment standard to all program participants.

The "housing choice voucher" is a federally funded rental subsidy for low-income households living in privately owned rental units. HACSC voucher holders in the Moving to Work (MTW) program pay 32 percent of their gross income toward rent (or a minimum rent of \$50, whichever is higher), and the agency pays the balance of the rent directly to the landlords on behalf of the families. Voucher holders are also required to pay that portion of their lease contract rent that is above HACSC's payment standard for their unit size.

The vast majority of HACSC client households are extremely low-income families with children, seniors, veterans, the disabled, and the formerly homeless. The average annual income of the families HACSC serves is \$16,000 per year, or 15 percent of the median income in Santa Clara County. By comparison, the average open market monthly rent for a three-bedroom unit in Santa Clara County is \$3,255. With HACSC's voucher payment standard now set at 110 percent of HUD-issued fair market rents, the maximum subsidy HACSC can provide toward the contract rent for that three-bedroom unit is \$2,806, leaving a 16 percent difference that the voucher holder must pay in order to stay in that unit. Under HACSC's previous policy, which set the payment standard at 100 percent of HUD-issued fair market rents, the gap between the average open market monthly rent for a three-bedroom unit and HACSC's maximum monthly assistance was 28 percent.

About HACSC

HACSC is the nation's tenth largest public housing authority and the largest provider of affordable housing assistance in Santa Clara County, helping make rental housing safe and affordable for low-income families through Section 8 voucher programs and below-market rental properties. Designated a Moving to Work agency, HACSC assists approximately 17,000 households through the Section 8 voucher program. For more information about HACSC, visit www.hacsc.org.

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