



Berkeley Housing Authority

1901 Fairview St., Berkeley, CA 94703
Telephone: (510) 981 5470 Fax: (510) 981 5480

Office of the Executive Director

Item 8B - REVISED
NEW BUSINESS
June 28, 2011

To: Honorable Chairperson and
Members of the Berkeley Housing Authority Board

From: Tia M. Ingram, Executive Director

Subject: Approve a resolution revising the following sections of the Administrative Plan:

Chapter 6 (Income and Subsidy Determinations) addressing “annual adjustment” of Payment Standards and Chapter 16 (Program Administration) addressing scheduling of implementation of changes of Payment Standards; and

Annual adjustment of Payment Standards for the Section 8 Voucher and Project Based Programs (Chapter 6).

RECOMMENDATION

Approve a resolution revising Chapter 6, Section 6-III-C of the Administrative Plan addressing “annual adjustment” of Payment Standards and Chapter 16, Section 16-II.B addressing scheduling of implementation of changes of Payment Standards; and Annual adjustment of Payment Standards for the Section 8 Voucher and Project Based Programs (Chapter 6).

BACKGROUND

Code of Federal Regulations Title 24 Part 982.505 provides guidance for developing, revising and implementing changes to the Payment Standard used in the Section 8 Housing Choice Voucher Program.

BHA’s Administrative Plan is consistent with the regulations, and goes further to build in automatic adjustments each December. Staff proposed the automatic adjustment each December to accommodate situations where there might be insufficient time to get to the Board with a recommendation implementing the annual HUD adjustment to Fair Market Rents.

The current market rent conditions however suggest that changes be made immediately to adjust (lower) the Payment Standard, and to eliminate an automatic increase in the Payment Standards in December 2011. A more defined explanation is provided in the accompanying report on an adjustment to the Payment Standard.

STATUS

Staff is proposing the following revisions to the existing language in the Administrative Plan:

6-III.C. Applying Payment Standards

“Annual Adjustment: BHA payment standards for all bedroom sizes will adjust, effective December 1st, to 110% of the HUD published Fair Market Rents (FMR), on December 1st.” This language is stricken and replaced with:

“BHA payment standards for all bedroom sizes will be reviewed at least annually, and updated December 1st as appropriate, and at other times as appropriate, to an appropriate level between 90 and 110% of FMR, unless an exception is granted from HUD.”

This revision will allow staff maximum opportunity to establish an appropriate Payment Standard, which may vary by bedroom size, and retain a scheduled update at least each December.

16-II.B. Payment Standards/Updating Payment Standards

“Changes to payment standard amounts will be effective on December 1st of every year unless, based on the proposed FMR’s, it appears that one or more of BHA’s current payment standard amounts will be outside the basic range when the final FMRs are published. In that case, BHAs payment standards will be effective October 1st instead of December 1st.”

“If BHA already processed reexaminations that will be effective on or after October 1st, and the effective date of the payment standards is October 1st, BHA will make retroactive adjustments to any such reexaminations if the new payment standard amount is higher than the one used by BHA at the time reexamination was originally processed.”

This language is stricken and replaced with:

“Changes to payment standard amounts will be effective on December 1st of every year, or alternate date as approved by the Board of Commissioners.”

“If BHA already processed reexaminations that will be effective on or after an effective date of October 1st, BHA will make retroactive adjustments to any such reexaminations if the new payment standard amount is higher than the one used by BHA at the time reexamination was originally processed.”

These changes recognize that it may be necessary to revise the payment standard at times during the year other than December, and further addresses the situation where staff (working 90-days in advance to ensure on-time completion of annual recertifications) may have already processed a case, that needs to reflect the new payment standard in order to comply with SEMAP regulations.

FINANCIAL IMPACTS OF RECOMMENDATION

None.

CONTACT PERSONS

Rachel Gonzales-Levine, Management Analyst, 981-5485

Tia Ingram, Executive Director, 981-5471.

Attachment: Resolution

BERKELEY HOUSING AUTHORITY
RESOLUTION NO. 11-_____

REVISING THE BHA ADMINISTRATIVE PLAN, SECTIONS CHAPTER 6, SECTION 6-III-C, APPLYING PAYMENT STANDARDS, AND CHAPTER 16, SECTION 16-II.B, PAYMENT STANDARDS

WHEREAS, 24 Code of Federal Regulations, 982.505, establishes guidelines for managing the Payment Standards; and

WHEREAS, the Housing Authority is required to review and adjust the Payment Standard at least annually; and

WHEREAS, the Administrative Plan was very specific and limited with regard to the timing of changes in the Payment Standard, and did not allow for modifications in response to current market conditions.

NOW THEREFORE, BE IT RESOLVED, that the Housing Authority Board approves revisions to Chapter 6, Section 6-III-C, Applying Payment Standards and Chapter 16, Section 16-II.B, Payment Standards removing the requirement to always set the payment standard for all bedroom sizes at 110% of Fair Market Rent, and allowing for changes at any time during the year rather than solely in December.

Ayes:

Noes:

Abstain:

Absent:

Attest: _____
Tia M. Ingram, Secretary