



REQUEST FOR BOARD ACTION

ITEM NO. 13.

DATE OF MEETING: September 6, 2011

REQUESTED BY: Judith Herring, Housing Director

SHORT TITLE: Resolution Authorizing a Reduction in the Payment Standards for the Housing Choice Voucher Program.

BACKGROUND: Payment standards for the Pender County Housing Department's (PCHD's) Section 8 Housing Choice Voucher Program (HCV Program) are set in accordance with the U S Department of Housing and Urban Development (HUD) program guidelines and within the guidelines established by PCHD's Administrative Plan. Payment standards are the cap or maximum contribution that PCHD can make to assist an income eligible family with paying rent.

The Administrative Plan allows PCHD to establish a payment standard between 90 percent and 110 percent of Fair Market Rent (FMR) as published by HUD for Pender County. PCHD has been operating with a payment standard set at 100 percent of the published FMR. Due to the current economic situation for the HCV Program as a whole and to the reduction in Housing Assistance Payment (HAP) funds being received by PCHD as a result of Federal re-benchmarking for the year, cost-saving measures are necessary in order to maintain HAP funds at a level that allows PCHD to maximize the number of vouchers available to Pender County residents and maintain the program with the reduction in funding.

PCHD is currently drawing on HAP reserve funds to subsidize assistance payments for existing HAP contracts. If cost saving is not achieved, the reserve funds will be exhausted and we may be placed in a financial position that requires termination of families from the program because funding will not be sufficient to pay for all of the current obligations.

PCHD is working with HUD Financial Analysts to determine the best actions to achieve cost savings. As a result, we are proposing a reduction in the payment standard from 100 percent to 95 percent of FMR in accordance with our Administrative Plan and established HUD guidelines. Further, we would work with the Financial Analysts to obtain a waiver of HUD guidelines as necessary to achieve immediate implementation of the change in the payment standard. A spreadsheet illustrating the change based on current FMR numbers is attached.

Board action is required to approve the change in the current calculation of the payment standard from 100 percent of FMR to 95 percent of FMR. The effective date of this action would be October 1, 2011.

SPECIFIC ACTION REQUESTED: To consider a resolution authorizing the reduction in the payment standard for the Pender County Housing Department's Section 8 Housing Choice Voucher Program from 100 percent of Fair Market Rent (FMR) to 95 percent of FMR.

COUNTY MANAGER'S RECOMMENDATION

Respectfully recommend approval.

PLB
Initial

RESOLUTION

NOW, THEREFORE BE IT RESOLVED by the Pender County Board of Commissioners that:

the Board hereby authorizes the Pender County Housing Department to reduce the payment standard for the Pender County Housing Department's Section 8 Housing Choice Voucher Program from 100 percent of Fair Market Rent (FMR) to 95 percent of FMR in accordance with the Department's Administrative Plan and HUD guidelines. The effective date of this action would be October 1, 2011.

AMENDMENTS:

MOVED _____ SECONDED _____

APPROVED _____ DENIED _____ UNANIMOUS _____

YEA VOTES: Brown ___ Tate ___ Rivenbark ___ Ward ___ Williams ___

George R. Brown, Chairman Date

ATTEST Date

**REDUCTION IN PAYMENT STANDARD ILLUSTRATION
AUGUST 2011**

CURRENT FAIR MARKET RENT (FMR) NUMBERS AS PUBLISHED BY HUD FOR FY 2011:

<u>0 Bedroom</u>	<u>1 Bedroom</u>	<u>2 Bedroom</u>	<u>3 Bedroom</u>	<u>4 Bedroom</u>
\$523	\$526	\$632	\$831	\$854

Currently Pender County Housing's Payment Standard is set at 100% of FMR.

The reduction in the payment standard to 95% of FMR would reduce the numbers to the following:

<u>0 Bedroom</u>	<u>1 Bedroom</u>	<u>2 Bedroom</u>	<u>3 Bedroom</u>	<u>4 Bedroom</u>
\$497	\$500	\$600	\$789	\$811

Difference:

<u>0 Bedroom</u>	<u>1 Bedroom</u>	<u>2 Bedroom</u>	<u>3 Bedroom</u>	<u>4 Bedroom</u>
\$26	\$26	\$32	\$42	\$43

The average reduction per unit size is: \$34