Housing Authority - County of Los Angeles

December 29, 2005

To: Each Supervisor

From: Bobbette A. Glover for Carlos Jackson, Executive Director

SUBJECT: SECTION 8 PAYMENT STANDARDS

The purpose of this memorandum is to provide you information regarding the Housing Authority's Section 8 payment standards, which are used to calculate the monthly Housing Assistance Payment (HAP) for applicants and participants.

In accordance with Title 24, Section 982.503 of the Code of Federal Regulations, the Housing Authority must adopt payment standards that establish Section 8 voucher payment amounts for varying bedroom sizes. These payment standards are set between 90 and 110 percent of the Fair Market Rent (FMR), which is determined by HUD. According to HUD regulations and existing Housing Authority policies, Board approval is not required for adjustments to the Section 8 payment standards.

When the payment standards are increased, the Housing Authority's monthly subsidy, on behalf of new Section 8 applicants and existing participants that move, is effective immediately. The subsidy is also increased during the annual reexamination for existing Section 8 participants staying in place. If the payment standards are reduced, the Housing Authority's monthly subsidy on behalf of new Section 8 applicants and existing participants that move is decreased immediately. Because a Section 8 participant staying in place must receive a one-year notice for a decrease, it will not go into effect until the second regularly scheduled annual reexamination, thereby taking two years to fully implement the change.

On July 20, 2004, to meet a reduction in Section 8 funding, your Board approved modifying the Housing Authority's payment standards from 110 to 100 percent of the FMR published by HUD. On January 4, 2005, to address an additional shortfall in Section 8 funding caused by an increase in the FMR, your Board approved the Housing Authority's current payment standards, which are set at 90 percent of the FMR.

As a result of the current uncertainties relating to the 2006 calendar year budget, the Housing Authority will implement the flexibility granted by HUD and approved Housing Authority policies, which allow the Executive Director to establish the Section 8 payment standards between 90 and 110 percent of the published FMR.

As changes become necessary, as a result of the Section 8 budget allocation and to maximize utilization of funding, the Housing Authority will notify the Board 30 days in advance of any payment standards change. The Housing Authority will continue to examine and minimize any negative impact on participants and provide information regarding any recommended changes to owners and tenants via newsletters and at workshops.

Should you have any further questions, please contact me at (323) 890-7400 or Rebecca L. Craigo, Assisted Housing Director at (562) 347-4663 X 8611.

RLC:DA:dt
Payment standard memo 12705

c: Each Deputy