
SEATTLE HOUSING AUTHORITY
REGULAR BOARD BRIEFING

LOCATION Seattle Housing Authority, 190 Queen Anne Ave N, Seattle, WA
Jesse Epstein Conference Room, First Floor

DATE June 11, 2018 4:30pm-6:00pm

BOARD ATTENDEES Deborah Canavan Thiele, Board Chair
Emily Abbey, Vice-Chair Dr. Paula Houston
Ahmed Abdi Paul Purcell
Robert Crutchfield Gerald Smiley

DISTRIBUTION SHA Board of Commissioners; Cabinet

4:30pm - Commissioner Roll Call

AGENDA

Briefing Items

4:35pm – VPS Options, Impact Analyses & HUD

5:15pm – Eviction Briefing: Fees

5:45pm – Fair Chance Ordinance Update: HUD Response

Commissioner roll call was given; Commissioners Abdi, Houston, Purcell, Smiley and Thiele were absent from the Briefing.

MEETING NOTES

Executive Director Lofton introduced to the Board Diana McWilliams and Koy Mianza from the Accreditation Board, a pilot program SHA is involved in regarding accreditation of public housing agencies.

Review 6/18/18 Regular Board Meeting Agenda and Updates

VPS Options, Impact Analyses & HUD

Mr. Lofton introduced Director of Rental Assist Programs Cynthia Setel, CFO Shelly Yapp and Sr. Policy Analyst Chris Klaeyesen to follow up on previous conversations with the Board the **background and history of SHA's Voucher Payment Standard** and brought options and recommendations to change the current VPS to aid in future lease up successes for our voucher holders.

Historically, SHA has had one VPS. Beginning in 2016, SHA went to 3 types of VPS: Project based vouchers, Tenant based vouchers (one for use in the subsidized/affordable housing, and one for use in the private market, which is higher VPS based on market trends.) At that time, in a series of increases, the VPS was increased by 25 percent which gave voucher holders access to 20 percent of the inventory of the Seattle market rate units. Over time, as the rental market got more expensive, that same VPS now only gives access to approximately 9 percent of the private market rental units, with a 2 -3 percent vacancy rate. Voucher holders have a 60 percent success rate of actually utilizing their voucher within the market. In March 2018, HUD came out with a **new Fair Market Rate (FMR) for the Seattle housing market, which wasn't much different from the 2016 rate.** SHA and King County Housing Authority (KCHA) commissioned a study to bring a more accurate study to reflect the current rental market for the area, which resulted in 23 percent increase of the 2018 FMR and influences how much SHA may increase the VPS. The proposal for discussion looks at how much to increase the VPS for tenant based vouchers for use in the private market, only.

In developing the proposal, we wanted to look at a variety of factors: benefit the most number of people, significantly improve access for tenant based voucher holders in Seattle's **private** rental market, and provide flexibility to allow SHA to serve more people through the voucher program. We believe that the following proposal provides greater opportunity for leasing success rate for **voucher holders, reduces households which are rent burdened and it's financially stable for the agency.**

SHA looked at households that are currently using their tenant based voucher in the private market and how rent burdened they are (defined as those spending more than 40 percent of their gross income on rent and utilities), as well as an equity impact analysis of all of the alternatives in this market rate VPS proposal to identify potential disparate impacts. Three alternatives were considered for a change to the market rate VPS:

- 1) Status Quo – Do nothing alternative;
- 2) Apply a new Market-Rate VPS (MR-VPS) to All Households, as has been the traditional practice; or,
- 3) Create a new VPS, that focuses on new voucher issuances and households that are rent burdened.

We used 3 basic criteria to evaluate these alternatives: 1) Does it provide greater opportunity for voucher households to lease, or remain in a market rate unit; 2) Does it reduce rent burden for existing voucher households; and, 3) Is the alternative sustainable financially?

The preferred proposal is Option 3: A new MR-VPS would be set at 100 percent of the final 2018 HUD FMRs for all bedroom sizes. This change would dramatically expand access by TBV households to market-rate units in the private rental market from an estimated 9 percent to an estimated 33 percent, increasing the current number of units accessible to voucher holders nearly fourfold. The new MR-VPS would be an increase of about 24 percent above the current VPS, which was adopted in May 2016. Implementation would take place within 60 days of Board adoption. The new rate, titled “2018 Market-Rate Voucher Payment Standard” (2018 MR-VPS) would include Rent Burdened Households (defined as paying more than 40 percent of gross income in rent and utilities), Households with Continued Assistance (households moving with continued assistance – a TBV- into a market rate until that would result in the household being rent burdened), and Households Newly Issue a Voucher (all households newly receiving a voucher, or shopping with a voucher, but not yet leased if leasing a market rate unit.)

At the Board’s consent, this proposal will be taken out to public comment, and this topic will be presented back to the Board next month for update on the public process, further discussion and to possibly take Board action on the recommendations presented either at that time, or some time thereafter.

Evictions Briefing: Fees

Housing Operations Director Rod Brandon followed up with the Board regarding **last month’s** public comments on eviction fees and financial burdens of those residents on the pathway to eviction from SHA housing. Housing Operations have been performing thorough reviews on **some of the fees related to the eviction process, and wanted to share the department’s** philosophical approach that SHA is taking as we look at those issues. We believe in keeping residents stably housed and make every effort to remain flexible to individual situations. We recognize that some of our residents may have lived through challenges, and sometime traumatic

instances throughout their lives that currently affective their living situation. By acknowledging this, we also attempt to deal with these situations through an RSJI, as well. Some fees charged may have an impact as to compliance and can change the pathway to divert eviction, and most of them are industry standard fee practices, such as: rent owed, late fees for non-payment (assessed after the 7th of the month.) Other fees assessed are tacked on as a result of non-payment, as well as failure to act on resulting actions (charges for NSF, damages, lawyer fees, legal processing and proceedings fees, as well as charges associated with physical removal from the property). It's believed that the legal fees serve a purpose, as the agency serves to cover costs associated with the eviction process. SHA will continue to review Housing Operations administrative fees, as well as individual legal fees associated with evictions in other housing authorities, and will continue to have a dialogue with the Board during this process.

Fair Chance Ordinance Update: HUD Response

Mr. Lofton made reference to a letter received from HUD regarding the response to our inquiry regarding the requirement for screening for criminal backgrounds in regard to the Fair Chance Ordinance. The Associate General Counsel at HUD concluded that a Public Housing Authority (PHA) must perform a criminal background check to satisfy its obligations under the U. S. Housing Act of 1937. We have notified the City of this response from HUD and will keep you apprised of what transpires after we receive their response.

Commissioner Abbey adjourned the meeting at 5:48 p.m.

Secretary-Treasurer