Agency Rpt
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# SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY





Housing Authority of the
City of Sacramento
Sacramento, CA

Honorable Members in Session:

JUL 26 1983

SUBJECT: Revised Public Housing Income Eligibility Limits

SUMMARY

Public Housing Authorities (PHA's) are required to establish maximum income eligibility limits for public housing. Staff recommends that these limits be fixed at 90% of limits established by Housing and Urban Development (HUD) for the Section 8 Housing Assistance Payments Program (Section 8). The limits that would apply through application of this rule are shown on Attachment A. It is recommended that these limits also apply to Agency-owned units acquired and developed through funding sources other than HUD.

BACKGROUND

Federal Regulations require PHA's to establish income limits subject to HUD approval. HUD's regulations give the flexibility to PHAs to set the limits between 80% and 90% of limits established independently by HUD for the Section 8 Program.

The Agency's current public housing income limits were approved in 1980. The Section 8 limits have changed twice since then. This necessitates a further change in local limits.

Staff recommends that public housing income limits be fixed at 90% of the Section 8 income limits established by HUD. For consistancy, it is also recommended that these limits be applied to any units acquired and built through funding sources other than HUD. It is recommended that limits be established at 90% rather than 80% of Section 8 limits because this would minimize the dollar difference between the two and thus maximize the administrative efficiency of our Central Eligibility Section.

7-26-83
All Districts

Attachment A is a listing of income limits currently applicable to public housing and Section 8. Proposed public housing limits computed at 90% of Section 8 are also shown. The Section 8 limits, which are not subject to PHA approval, apply to housing units controlled by our Leased Housing Division as well as the following Agency-owned housing projects which receive Section 8 rental subsidies: (1) Kennedy Estates; (2) Ping Yuen; (3) San Jose/Broadway; (4) Scattered 8 Sites; and (5) Wildflower.

The federally established very low income limits, which represent 50% of median adjusted for family size, are also shown on Attachment A. In reality these will have a much greater influence on our tenant selection than the Section 8 or public housing maximums for two reasons. First, federal law currently requires that at least 90% of families housed in assisted housing (95% in newly completed units) be very low income. Secondly, in Sacramento the income level of assisted housing applicants is limited more by the housing market than income eligibility limits for particular programs. This is true because a family with earnings at or near these limits can find affordable housing in the private market. For example, a family of four earning 80% of median or $21,750 would be expected to pay roughly 30% of this amount, approximately $600 per month, for housing (including utilities) under Section 8. Fortunately a family with this much rent-paying ability has many alternatives in the Sacramento rental market.

FINANCIAL DATA

Public housing revenues are derived from two sources: tenants' rents and federal subsidies. As a general rule, any increased revenue resulting from housing higher income tenants will be offset by decreases in federal subsidies. Therefore the proposed action will have no significant financial impact.

POLICY IMPLICATIONS

As explained above, the very-low income (50% of median) limit will have a much greater influence on our tenant composition than Section 8 or public housing limits. The policy implications of this action are therefore considered negligible.

VOTE AND RECOMMENDATION OF COMMISSION

At its regular meeting of July 18, 1983the Sacramento Housing and Redevelopment Commission recommended adoption of the attached resolution. The votes were recorded as follows:

AYES: Hall, Miller, Ose, Pettit, Teramoto, Walton

NOES: None

ABSENT: Angelides, Luevano, Walton

RECOMMENDATION

The staff recommends that maximum income eligibility limits be fixed at 90% of the maximum established by HUD for the Section 8 program. The local limits would fluxuate with the Section 8 limits and would apply to City and County public housing as well as other housing owned or operated by the Agency not receiving Section 8 rental subsidy.

Respectfully submitted,

William H Edgar

WILLIAM H. EDGAR
Executive Director

TRANSMITTAL TO COUNCIL:

Solon Wisham, Jr.

For: WALTER J. SLIPE, City Manager

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# RESOLUTION NO. 83-033

ADOPTED BY THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO

ON DATE OF

July 26, 1983

ADOPTING REVISED PUBLIC HOUSING
INCOME ELIGIBILITY LIMITS

WHEREAS, Federal regulations require public housing authorities to establish maximum income limits for occupancy of public housing subject to Department of Housing and Urban Development approval; and

WHEREAS, for administrative efficiency and program consistency, it is desirable to make public housing income eligibility limits applicable to Authority-owned housing units acquired or developed through funding sources other than HUD.

NOW, THEREFORE, BE IT RESOLVED BY THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO:

Section 1. The maximum income for admission to public housing or other Authority-owned housing acquired or developed through funding sources other than HUD shall be ninety percent (90%) of the maximums established by the United States Department of Housing and Urban Development (HUD) for participation in the Section 8 Housing Assistance Payments Program.

Section 2. Determination of the eligibility income amount shall be made in accordance with HUD rules applicable to public housing.

CHAIRMAN

ATTEST:

SECRETARY

APPROVED
SACRAMENTO HOUSING AUTHORITY
CITY OF SACRAMENTO

JUL 26 1983

ATTACHMENT A

## SCHEDULE OF PUBLIC HOUSING & SECTION 8 INCOME LIMITS

| Number of Persons in Family | Very Low Income Limit (50% of Median) | Section 8 Income Limit (80% of Median) | Public Housing Income Limit (90% of Sect. 8) Proposed | Public Housing Income Limit (90% of Sect. 8) Current |
|---|---|---|---|---|
| 1 | 9,500 | 15,250 | 13,725 | 9,600 |
| 2 | 10,900 | 17,400 | 15,660 | 10,950 |
| 3 | 12,250 | 19,600 | 17,640 | 12,350 |
| 4 | 13,600 | 21,740 | 19,575 | 13,700 |
| 5 | 14,700 | 23,100 | 20,790 | 14,550 |
| 6 | 15,800 | 24,500 | 22,050 | 15,400 |
| 8+ | 17,950 | 27,200 | 24,480 | 17,150 |