

November 1, 2000

Housing Authority of the
City of Sacramento
Sacramento, California

Honorable Members in Session:

SUBJECT: SECTION 8 RENTAL APPLICATION FEE PAYMENT PILOT PROGRAM

LOCATION & COUNCIL DISTRICT - City

RECOMMENDATION

Staff recommends adoption of the attached resolution, which authorizes the Executive Director to implement the Section 8 Rental Application Payment Fee Pilot Program, which will go into effect on December 1, 2000.

CONTACT PERSONS

Tim Jones, Acting Director - Housing Authority, 440-1337

FOR COUNCIL MEETING OF November 14, 2000

SUMMARY

This report recommends the establishment of a pilot program to assist Section 8 voucher holders with the costs of rental application processing fees. The costs of these fees present a significant financial barrier to Section 8 Voucher holders in their efforts to successfully locate affordable housing in Sacramento communities. A primary use of this application fee is to run credit reports for every adult household member. Under this pilot program the Housing Authority will provide a copy of the voucher holder's credit report to prospective property managers, owners or owner's agents.

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Housing Authority of the City of Sacramento
November 1, 2000
Page 2

COMMISSION ACTION

It is anticipated that at its meeting of November 1, 2000, the Sacramento Housing and Redevelopment Commission will adopt a motion recommending approval of the attached resolutions. In the event they fail to do so, you will be advised prior to your November 14, 2000 meeting.

BACKGROUND

The Housing Authority of the City and County of Sacramento, the Sacramento City Council, the Sacramento County Department of Human Assistance (DHA), the Rental Housing Association (RHA), and Legal Services of Northern California (LSNC), met on several occasions to discuss the problems Section 8 Voucher holders were having in paying rental application fees. The six-month pilot program proposed in this report was developed as the result of those discussions.

The Section 8 Voucher program is a low-income housing program that subsidizes the rent of an approved privately owned dwelling of the participant's choice. This pilot program will work in concert with the Section 8 Voucher program. By providing credit reports, prospective property managers will be relieved of the need to charge the voucher holders the application processing fees. The money saved by the voucher holders may be used to meet other costs related to moving into their rental unit.

The Housing Authority of the City of Sacramento and the Housing Authority of the County of Sacramento will administer the six-month pilot program.

The pilot program may be extended if both parties agree to amend the term in writing.

Owners will benefit by choosing to participate in this program because they will always be able to conveniently obtain a current credit report for a Section 8 Voucher holder, regardless of the applicant's limited income.

Section 8 Voucher holders with acceptable credit will be more successful in their competition for available units. The cost of the credit check will no longer be a barrier for them during their search for housing

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Housing Authority of the City of Sacramento

November 1, 2000

Page 3

Program Description:

- The Housing Authority will notify Section 8 participants and owner-participants of the pilot program. Outreach efforts to introduce the program to the community, explain enrollment procedures and encourage participation will be undertaken.
- Attachment I shows an example of the brochure that will be used in our outreach efforts, and included in various marketing materials.
- Once a family receives their Section 8 Voucher, they will be issued an inquiry number.
- Each time the Section 8 Voucher holder submits a rental application for processing, the prospective property manager may call the Housing Authority, give the representative the Voucher holder's inquiry number and request a credit report.
- The Housing Authority will order the credit report for the prospective property manager. The report may then be faxed or mailed to them at no cost.

FINANCIAL CONSIDERATIONS

Funding exists in the Agency's year 2000 operation budget and additional funds will be appropriated in the Agency's year 2001 operation budget to cover the costs associated with this recommended action. The cost of the program follows:

County Department of Human Assistance (DHA)	Housing Authority of the City of Sacramento	Housing Authority of the County of Sacramento	Total
\$50,000.00 (50%)	\$25,000 (25%)	\$25,000 (25%)	\$100,000

POLICY CONSIDERATIONS

The recommended action in this report is consistent with Agency policy. No policy changes are recommended.

ENVIRONMENTAL REVIEW

The proposed action does not constitute a project under CEQA per Guidelines Section 15378 (b) (3), nor a federal undertaking under NEPA.

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Housing Authority of the City of Sacramento
November 1, 2000
Page 4

M/WBE CONSIDERATIONS

The items discussed in this report have no M/WBE impact, therefore M/WBE considerations do not apply.

Respectfully submitted,



ANNE M. MOORE
Executive Director

Transmittal approved,



ROBERT P. THOMAS
City Manager

**Credit Check Fee
Payment Program:**

- **The SRAFPP will provide the prospective landlord with a free copy of the Section 8 Voucher holder's credit report.**
- **Section 8 Voucher holders will be able to successfully compete for available rental units.**

**Sacramento
Housing and
Redevelopment
Agency**

*Section 8 Housing
and
Applications Division*

701-12th Street
Sacramento, CA 95814

(916) 492-2244 Application Line
(916) 448-5060 Fax



**THE SECTION 8
RENTAL
APPLICATION
FEE PAYMENT
PROGRAM**

(SRAFPP)

DRAFT

Introduction

- The costs of credit check fees are becoming a significant financial barrier, preventing Section 8 Voucher holders from successfully locating affordable housing.
- The Housing Authority of the City and County of Sacramento and the Sacramento County Department of Human Assistance are working together to address this problem.
- Most Section 8 Voucher holders are low-income families. They do not have large sums of money available for move-in expenses. Prospective landlords are encouraged to participate in SRAFPP.
- Your participation will relieve these families of the credit check fee charged to them.

Process

- When the family receives their Section 8 Voucher, they will be issued a **SRAFPP Inquiry Number**. Each time the Section 8 Voucher holder submits a rental application for processing, the prospective landlord may call the Housing Authority's Credit Check line and give the representative the Voucher holder's Inquiry Number.
- The Housing Authority will order the credit report for the prospective landlord. **The credit report may be faxed or mailed to the landlord at no cost to them.**
- The money saved by the Voucher holders may be used to meet other costs related to moving into their rental unit.

Benefits

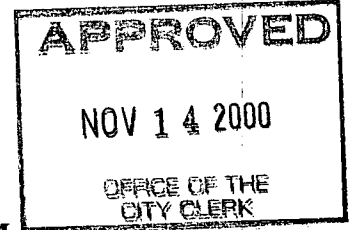
- Landlords who chose to participate in the SRAFPP will always be able to conveniently obtain a current credit report for a Section 8 applicant, regardless of the applicant's limited income.
- Section 8 Voucher holders with acceptable credit reports will now be able to successfully compete for available rental units. The cost of the credit check will no longer be a barrier for them during their search for a nice place to live.
- To all Owners, Owner Agents and Property Managers, considering renting to a Section 8 Voucher holder, please help the Housing Authority and the Sacramento County Department of Human Assistance address this community concern, by participating in the Credit Check Fee Payment Program (SRAFPP)

Thank you for your support.

RESOLUTION NO. 2000-012

ADOPTED BY THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO

ON DATE OF



CREATION OF THE SECTION 8 RENTAL APPLICATION FEE PAYMENT PILOT PROGRAM

BE IT RESOLVED BY THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO:

Section 1. The Executive Director, or designee, is authorized to create and implement a pilot program titled "Section 8 Rental Application Fee Payment Program" in conjunction with the County Department of Human Assistance. The pilot program will be effective from December 1, 2000 through June 30, 2001 and may be extended if both parties agree to extend the program in writing.

Section 2. The Executive Director is authorized to enter into a Memorandum of Understanding with the County Department of Human Assistance (DHA) to create and implement the pilot program. DHA will supply matching funds for this program not to exceed \$50,000.

Section 3. The Executive Director or, designee, is authorized to amend the Agency budget to appropriate \$25,000 from the Housing Authority of the City of Sacramento to fund the pilot program. If the pilot program is extended past the six-month trial period, the Executive Director or designee is authorized to budget funds from the Section 8 program to fund the Section 8 Rental Application Fee Payment Program.

CHAIR

ATTEST:

SECRETARY

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____