



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Jacky Morales-Ferrand

**SUBJECT:** SEE BELOW

**DATE:** December 6, 2018

Approved

*D. DSyl*

Date

*12/7/18*

## SUPPLEMENTAL

**SUBJECT: DIRECTION ON THE CREATION OF A SOURCE OF INCOME  
ORDINANCE AND RENTAL SUBSIDY PROGRAM IMPROVEMENTS**

### REASON FOR THE SUPPLEMENTAL

The reason for this supplemental memorandum is to provide additional information from the Santa Clara County Housing Authority on the Housing Choice Voucher program.

### ANALYSIS

Additional context and information on the Housing Choice Voucher program as it is operated in Santa Clara County Housing Authority is provided in the attachments.

/s/

JACKY MORALES-FERRAND  
Director, Housing

For questions, please contact Kristen Clements, Division Manager, at (408) 535-8236.

Attachment 1: Landlord Benefits and SCCHA's Housing Choice Voucher Program

Attachment 2: SCCHA's Typical Inspection and Leasing Process



### **Landlord Benefits and SCCHA's Housing Choice Voucher (Section 8) Program**

- Section 8 program benefits for owners include:
  - Security and convenience of reliable, regular rental payments from both SCCHA and the tenant, who has strong incentives built into the program to be a good tenant
  - Rental payment safety net (SCCHA's share of the rent is guaranteed to owner as long as the HCV holder remains in residence and the unit meets Housing Quality Standards)
  - Ability to charge reasonable market rents, including security deposits and annual rent increases
- How the benefits to owners participating in SCCHA's Section 8 program are communicated:
  - Presentations to owners' groups such as the California Apartment Association
  - Regular owner training workshops
    - Owner training workshops provide a nuts-and-bolts orientation to the Section 8 program
  - Marketing brochures and flyers
  - An owner-specific newsletter
  - SCCHA's website

#### **In response to owner feedback, SCCHA has re-doubled its efforts with the following activities:**

- **NEW Streamlined Leasing Process**
  - SCCHA has made changes to its lease-up processes, reducing redundancy and saving time.
- **NEW Owner Incentive Programs**
  - **Vacancy Payment Program** – Encourages owners to re-rent to Section 8 tenants by covering some of the cost (equal to 80% of the contract rent for up to 30 days) of a vacant unit to address the longer lease-up process with a Section 8 renter versus open market renters.
    - Result: During FY2018, the Vacancy Payment Program helped retain 412 units and owners on the HCV program.
    - Result: Majority of owners (67%) who responded to 2017 owner survey had positive view of their interactions with SCCHA, and also appreciated the financial incentives provided for re-renting to a Section 8 tenant.
  - **New Lease-up Bonus Program** – SCCHA is providing a lease-up bonus equal to one month's rent for new Section 8 owners. This program is being finalized and will be implemented by January, 2019.
- **Appointment of Owner Ombudsperson**
  - SCCHA has appointed a dedicated ombudsperson to research and ensure that every Section 8 property owner's concerns are satisfactorily addressed.

#### **About SCCHA:**

- To date, approximately 6,000 landlords provide housing to Section 8 voucher holders who live in San José.
  - Program-wide, about 11,800 Section 8 program participants rent in San José.
  - There are currently 325 City of San José MTW voucher holders searching for housing in Santa Clara County.

## SANTA CLARA COUNTY HOUSING AUTHORITY INSPECTION & LEASING PROCESS TIMELINE

Step	Process	Typical Timeline Assuming Experience with our Program	Notes
1	Owner submits Request for Tenancy Approval and additional required forms.	0 days	
2	Housing Authority staff member "staff" verifies ownership and reviews forms for completeness.	3 days	Errors on any of the forms requires conversations about the errors and corrections which adds time to the process
3	Staff schedules inspection and inspection occurs.	If Request for Tenancy Approval is complete, this step can occur concurrently with step 2.	Owner should perform pre-inspection using Housing Authority's checklist to ensure unit passes inspection.
4	Staff completes rent reasonableness to determine if the owner requested rent is comparable to other similar open market rental units in the vicinity.	3 days	If rent exceeds our payment standard, voucher holder has additional rent burden and the voucher holder's total rent burden cannot exceed 40% of the voucher holder's income.
5	Staff enters new contract information into database, prepares and mails Housing Assistance Payment (HAP) contract to owner.	3 days	E-signature option to be available early next year.
6	Owner signs HAP contract, attaches copy of their lease with tenant and returns to Housing Authority.  Tenant can pay their deposit and move in on HAP contract effective date. If they move in prior to that date, they will be responsible for the entire rent amount.	3 days	The following items must be in the tenant lease and match the HAP contract: <ol style="list-style-type: none"> <li>1. Lease begin and end date</li> <li>2. Utilities and appliances responsibility (for both the tenant and owner)</li> <li>3. List of approved household members</li> <li>4. Incorporation of the HUD Tenancy Addendum verbiage into the tenant lease as follows: "The HUD Tenancy Addendum is incorporated by reference into the lease."</li> <li>5. HUD Tenancy Addendum must be attached to the tenant's lease</li> </ol>

			6. Total contract rent amount 7. Address with unit number
7	Staff reviews returned HAP contract and lease for consistency.	3 days	Inconsistencies between HAP contract and lease requires conversations with owner and corrections which adds time to the process
8	Staff enters new contract calculation into database and mails fully executed copy of HAP contract and letter advising new contract effective date, contract rent and HAP/tenant portions of the rent.	3 days	
	<b>Total time to lease</b>	<b>Less than 20 days</b>	
	First HAP check is direct deposited or mailed.	2 – 4 weeks	HAP checks are prepared 2 times per month; direct deposit is fastest form of payment
	<b>Total time to first HAP check (typical – can occur in less or more time)</b>	<b>39 days</b>	<b>Further streamlining efforts are in progress!</b>