

CITY OF SANTA ROSA
HOUSING AUTHORITY

TO: HOUSING AUTHORITY COMMISSIONERS
FROM: REBECCA LANE, MANAGER
HOUSING AND COMMUNITY SERVICES
SUBJECT: AUTHORIZATION TO EXECUTE THE STATE OF CALIFORNIA
DEPARTMENT OF GENERAL SERVICES STANDARD AGREEMENT
WITH THE EMPLOYMENT DEVELOPMENT DEPARTMENT TO
OBTAIN INCOME VERIFICATIONS FOR RENTAL ASSISTANCE
PROGRAM PARTICIPANTS

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the Housing and Community Services Department that the Housing Authority, by resolution, approve the execution of a General Services Standard Agreement with the State of California Employment Development Department for the purpose of obtaining third-party income verifications in the Housing Choice Voucher and HOME-Tenant Based Rental Assistance Programs.

EXECUTIVE SUMMARY

The Department of Housing and Urban Development (HUD) requires that Housing Authorities administering HUD-funded rental assistance programs seek third-party verification of household income reported by rental assistance program participants. To obtain income verifications from the State of California Employment Development Department (EDD), the State of California requires that the Housing Authority Board of Commissioners authorize, by resolution, the Department of Housing and Community Services to enter into a General Services Standard Agreement with EDD. The Standard Agreement addresses the authorization for release of participant records and the protection of confidentiality, among other standard terms and conditions.

BACKGROUND

The Department of Housing and Community Services (Department) administers the following HUD-funded rental assistance programs:

- Section 8 Housing Choice Voucher program, including
 - Standard Housing Choice Vouchers (HCV)
 - Veterans Affairs Supportive Housing vouchers (VASH)
 - Project-Based Vouchers (PBV)
 - Emergency Housing Vouchers (EHV)
 - Tenant Protection Vouchers (TPV) and Enhanced Vouchers (EV)

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- HOME Tenant-Based Rental Assistance (TBRA)

The programs listed above are available to households earning 50% of the Area Median Income (AMI) or below. The majority of participants must be at or below 30% of AMI. Under the federal regulations governing these programs, the Department must verify that households are eligible for the rental assistance based on their income level during initial eligibility screening, and to determine the amount of assistance that will be provided if the household is eligible.

During initial household eligibility screening, the Department obtains information from the applicant household regarding their income sources, including proof of income from the applicant, such as income statements or check stubs. The Department is then required to attempt a third-party verification of the income being reported, meaning that the Department sends a request directly to the entity providing the income to verify the amount and frequency of the payments. For ongoing eligibility and rental calculation determinations, the Department uses the same procedures to obtain third-party verifications as it does for the initial household eligibility screening. Since participating households pay 30% of their monthly adjusted income towards their rent, the income as verified by the third party is used to determine what portion of rent the household will pay. If the Department does not receive a response to the third-party income verification request, it is permissible to use the proof of income provided by the household. The Department must retain documentation of the attempt to obtain the third-party verification.

The State of California EDD provides unemployment and state disability income to qualified households. Many households applying for or receiving rental assistance have an EDD income source, and the Department must attempt to obtain third-party verification of that income directly from EDD. The State of California requires a General Services Standard Agreement with the Housing Authority to provide income verifications to the Department. The State of California now requires that any contract agreements with a county, city, district or other local public body are authorized by a Board resolution for the contract. The proposed resolution will authorize the Director of Housing and Community Services, who concurrently serves as the Executive Director of the City of Santa Rosa Housing Authority, to enter into the agreement with EDD.

ANALYSIS

HUD regulations require that Housing Authorities administering HUD-funded rental assistance programs seek third-party verification of household income reported by rental assistance program participants. To obtain income verifications from the State of California EDD, the State of California requires that the Housing Authority Board of Commissioners authorize, by resolution, the Department to enter into a General Services Standard Agreement with EDD. The Department must follow the State of California contract requirements to meet the HUD requirement to obtain third-party verifications in the administration of rental assistance programs.

PRIOR HOUSING AUTHORITY REVIEW

Not applicable.

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FISCAL IMPACT

The funds to pay for third-party verifications are part of the administrative fees of the rental assistance programs. The maximum amount of the General Services Standard Agreement with EDD is \$1,260.00.

ENVIRONMENTAL IMPACT

The Housing Authority finds that the proposed action is exempt from the provisions of the California Environmental Quality Act (CEQA) under section 15061(b)(3) and 15378 in that there is no possibility that the implementation of this action may have significant effects on the environment, and that no further environmental review is required.

COUNCIL/BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Not applicable.

ATTACHMENTS

- Attachment 1 – State of California Department of General Services Standard Agreement between the Employment Development Department and the City of Santa Rosa Housing Authority
- Resolution

CONTACT

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